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January 7, 1991

MEMBERS OF THE FIFTY-SECOND LEGISLATIVE ASSEMBLY:

I am submitting to you Executive Budget Agency Narratives for the fifty-six state agencies and detailed recommendations for the state Long-Range Building Program as a supplement to my Executive Budget for the 1993 biennium which was released December 1, 1990.

This additional information complements my balanced financial plan for the state government in the ensuing biennium by providing you with mission statements and organization charts for departments, as well as goals and objectives for each program of the departments, in accordance with 17-7-123, MCA. For prior legislative sessions, this information was on file in the Office of Budget and Program Planning and the Office of the Legislative Fiscal Analyst and provided to legislators only upon request.

Moreover, for the first time, we are providing you in these documents with citations of statutory authorizations and initial performance indicators for most programs and for many activities in state government. I hope that these Agency Narratives will contribute to an assessment of state employee workloads, to sound appropriations decisions for the coming biennium, and to informed policy direction for the state.

I offer you the cooperation and assistance of my office and the executive branch agencies as you proceed with your deliberations.

Sincerely,

STAN STEPHENS
Governor

PLEASE RETURN

State of Michigan
Department of State
Lansing, Michigan 48224

STATE DEPARTMENT

April 2, 1961
Honorable Earl Warren
U.S. Supreme Court
Washington, D.C.

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APR 3 1961

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APR 3 1961

The following information was received from the Michigan Department of State on April 2, 1961:

On April 2, 1961, the Michigan Department of State received a letter from the Michigan Department of State dated April 2, 1961, regarding the Michigan Department of State's response to the letter from the Michigan Department of State dated April 2, 1961.

The Michigan Department of State's response to the letter from the Michigan Department of State dated April 2, 1961, is as follows:

The Michigan Department of State is in receipt of the letter from the Michigan Department of State dated April 2, 1961, regarding the Michigan Department of State's response to the letter from the Michigan Department of State dated April 2, 1961.

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EXECUTIVE BUDGET AGENCY NARRATIVES

Purpose

Executive Budget Agency Narratives are being provided to legislators and others for the 1991 Legislative Session for the purpose of:

1. Meeting statutory requirements for the executive budget to include "a statement of departmental goals and objectives and a statement of goals and objectives for each program of the department," pursuant to 17-7-123, MCA;
2. Providing information for appropriations deliberations and decision making; and
3. Beginning to develop baseline performance indicators and other data for use in future legislative sessions and executive planning.

Content of Agency Narratives

Each of the fifty-six primary entities of state government was requested to include the following information in its narrative: mission and general description, organization chart, program goals and statutory authorization, base program and funding, performance indicators which show the significant workload measures and accomplishments by fiscal year, and increases (budget modifications) or decreases from base.

OBPP provided the budget tables which include an agency summary table, a recommended budget table for each program, and selected activity tables in instances where the agency, OBPP, and the LFA agreed it would be beneficial to separately justify an area of work. The FY90 and FY91 columns in the agency narrative tables may be lower than the same columns in the Executive Budget book because budget amendments and one-time appropriations were removed in the narratives to provide greater comparability with the recommended budget.

Organization of Agency Narratives

Narratives are organized in the same order as they will appear in HB02, by sections A through F and by agency code order within each section. There are three (3) volumes for Senate and House leaders and appropriations members and copies of narratives for all other legislators. OBPP also will provide copies to the media, public interest groups, and the general public upon request.

The table of contents follows.

RESEARCH REPORT

Page 1

The purpose of this research is to investigate the effects of the proposed changes on the system.

The research is divided into two main parts: a literature review and a case study.

The literature review is intended to provide a background on the topic and to identify the key issues.

The case study is intended to provide a detailed analysis of the proposed changes and their effects.

The results of the research are presented in the following sections.

The first section discusses the literature review.

The second section discusses the case study.

The third section discusses the results of the research.

The fourth section discusses the conclusions of the research.

The fifth section discusses the implications of the research.

The sixth section discusses the limitations of the research.

The seventh section discusses the future work.

The eighth section discusses the acknowledgments.

The ninth section discusses the references.

The tenth section discusses the appendices.

The eleventh section discusses the index.

The twelfth section discusses the glossary.

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OFFICE OF THE LEGISLATIVE AUDITOR

OFFICE OF THE LEGISLATIVE AUDITOR

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr Recommended	----- Base	Fiscal 1993 Incr/Decr Recommended	----- Base
Full Time Equivalent Employees	60.00	60.00	60.00	9.00	69.00	9.00	69.00
Personal Services	1,777,380.78	1,856,168	1,929,980	224,939	2,154,919	224,429	2,152,506
Operating Expenses	248,611.31	298,057	299,873	37,363	337,236	20,823	312,134
Equipment	33,525.18	32,727	32,727	10,341	43,068	24,902	57,629
Total Agency Costs	<u>\$2,059,517.27</u>	<u>\$2,186,952</u>	<u>\$2,262,580</u>	<u>\$272,643</u>	<u>\$2,535,223</u>	<u>\$270,154</u>	<u>\$2,522,269</u>
General Fund	1,024,930.16	1,119,316	1,153,916	139,047	1,292,963	137,776	1,286,355
State Special Revenue Fund	1,034,587.11	1,067,636	1,108,664	133,596	1,242,260	132,378	1,235,914
Total Funding Costs	<u>\$2,059,517.27</u>	<u>\$2,186,952</u>	<u>\$2,262,580</u>	<u>\$272,643</u>	<u>\$2,535,223</u>	<u>\$270,154</u>	<u>\$2,522,269</u>
Audit & Examination	2,059,517.27	2,186,952	2,262,580	272,643	2,535,223	270,154	2,522,269
Total Program Costs	<u>\$2,059,517.27</u>	<u>\$2,186,952</u>	<u>\$2,262,580</u>	<u>\$272,643</u>	<u>\$2,535,223</u>	<u>\$270,154</u>	<u>\$2,522,269</u>

Mission and General Description:

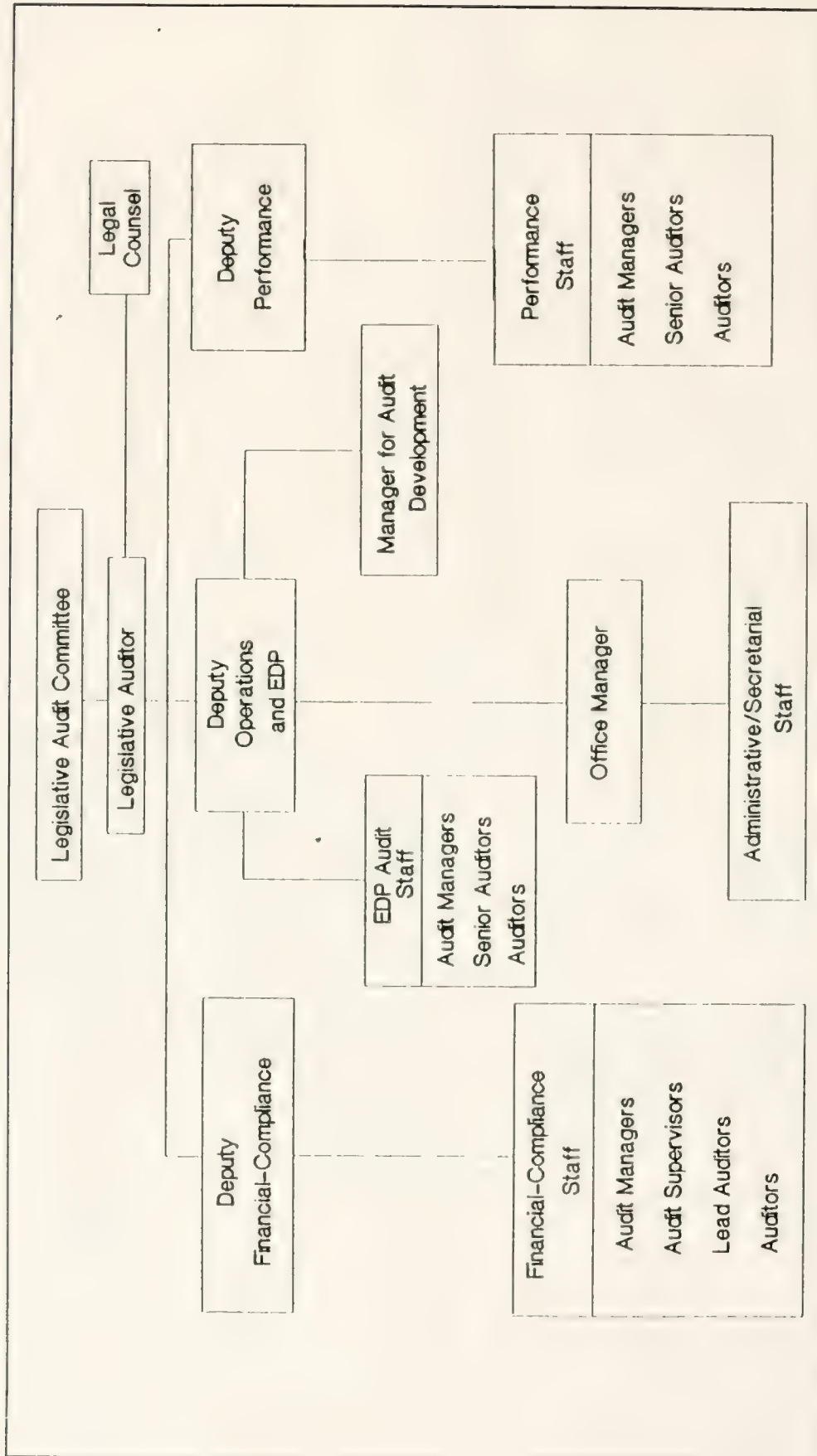
The Office of the Legislative Auditor, established in 1967, is governed by the Legislative Audit Act, contained in Title 5, Chapter 13, MCA. Article V, Section 10(4) of the Montana Constitution mandates a legislative post audit function. The office assists the Legislature in meeting its responsibilities by: (1) providing the Legislature with factual audit information about the operation of state agencies; and (2) assisting the Legislature, its committees and members during legislative sessions by gathering and analyzing information relating to the fiscal affairs of state government.

The office works under the general supervision of the bipartisan Legislative Audit Committee. The members are evenly divided between the Senate and House of Representatives.

Agency Organization:

The three functional areas of the office are: Financial-Compliance Audit, Performance Audit, and Operations/Electronic Data Processing (EDP). The office conducts an annual statewide financial audit as well as biennial financial-compliance audits of all state agencies. Legislatively requested audits and

performance audits are conducted independently and determine effectiveness, efficiency, and compliance with laws, rules, goals, and objectives. EDP audits are evaluations of data processing systems and controls, and are conducted independently and in conjunction with financial-compliance and performance audits.



Authorization:

Article V, Section 10(4), Montana Constitution mandates a legislative post-audit function in the state of Montana.

Title 5, Chapter 13, MCA, governs the Office of the Legislative Auditor and establishes the goals and objectives of the post-audit function.

Goals:

The goals of the Office of the Legislative Auditor are to:

1. Provide the state Legislature with independent information as to whether state agencies:
 - a. Conduct only those activities and programs authorized by the legislature.
 - b. Conduct programs effectively and efficiently.
 - c. Make expenditures only in accordance with applicable laws and regulations.
 - d. Collect and account properly for all revenues and receipts.
 - e. Adequately safeguard and control assets.
 - f. Submit reports and financial statements which fully disclose the nature and scope of agency activities.
2. Provide whatever assistance may be requested by the Legislature, its committees and members.
3. Make comments, recommendations, and suggestions for the improvement of state agency operations and activities.

Base Program

Financial-Compliance Audits

Financial-compliance audits are conducted by the office to determine that an agency's financial operations are properly conducted, the financial reports are presented fairly, and the agency has complied with applicable laws and regulations. Financial-compliance audit staff members hold degrees with an emphasis in accounting. The primary objectives of financial-compliance audits are to ascertain that agencies:

1. Make expenditures only in furtherance of authorized activities and in accordance with the requirements of applicable laws and regulations.
2. Collect and account properly for all revenues and receipts arising from their activities.
3. Maintain adequate safeguards and accountability for assets in their custody.
4. Submit reports and financial statements to the Governor, the Legislature, and central control agencies which disclose fully the nature

and scope of the activities conducted, and provide a proper basis for evaluating the agencies' operations.

A secondary objective is to identify instances and areas where agency operations or programs are uneconomical, inefficient and/or ineffective. These areas may be developed as part of the financial-compliance audit or as separate performance audits dependent on the magnitude of the areas and the need for concentrated audit resources.

Performance Audits

Performance audits completed by the office are designed to assess the effectiveness of the operation of state government. In order to fulfill this purpose the members of the performance audit staff hold degrees in disciplines appropriate to the audit process. Areas of expertise include business and public administration, statistics, economics, accounting, and engineering.

The performance audit process starts with a review of statutory directives and program goals and objectives. Audit criteria are established and the program is evaluated in relation to whether statutory directives are met and associated goals achieved. The program is also evaluated to determine if directives and goals can be achieved with greater efficiency and economy while being properly controlled and managed.

Electronic Data Processing Audits

With the increase in computerization of state government, the office devoted resources to reviewing computer related issues, developing specialist and maintaining technicians, and provided additional training to all staff members.

EDP audits combine some of the elements of both financial-compliance and performance audits. Controls within EDP operations are examined to determine whether assets are adequately safeguarded and to determine the reliability of computer-generated reports. In addition, EDP audits address efficiency and effectiveness issues, such as acquisition of computer equipment and management of computer resources.

Base Funding

The Office of the Legislative Auditor is funded from both the General Fund and the Special Revenue Fund. The Special Revenue Fund monies represent charges to state agencies for financial-compliance audits mandated by statute. The amounts to be charged to the agency are appropriated to each agency. The office bills for the cost of the biennial audit and for one-half the costs of the annual audit of the state's General Purpose Financial Statements.

Performance Indicators:

1. Completion of all audits in accordance with the applicable auditing standards issued by the American Institute of Certified Public Accountants and the General Accounting Office.
2. Completion, within the biennium, of the financial, compliance, performance and EDP audits required by state and/or federal law. This includes completion of 54 financial-compliance state agency audits each biennium, required performance audits and annual EDP audits of the state's central processing facility. These audits are completed within one year of the end of the fiscal year under audit. (section 5-13-304, MCA)
3. Completion of an annual audit of the State of Montana General Purpose Financial Statements included in the Comprehensive Annual Financial Report. (Fiscal years 1991-92 and 1992-93 and completed by December 31 of each year)
4. Completion, on a biennial basis, of the federally required Single Audit Report. (Covering fiscal years 1989-90 and 1990-91 and due within one year of the end of the audit period - June 30, 1992)
5. Completion, in a timely manner, of audit work requested by the Legislative Audit Committee.

	FY92	FY93
FTE:	9.00	9.00
1100 Salaries	182,114	181,420
1400 Benefits	26,625	26,809
1500 Insurance	16,200	16,200
Total Personal Services	224,939	224,429
2100 Other Services	22,439	5,979
2200 Supplies & Materials	1,350	1,350
2300 Communication & Trans.	2,250	2,250
2400 Travel	4,000	4,000
2800 Other Expenses	7,324	7,244
Total Operating Expenses	37,363	20,823
3000 Equipment	9,952	22,314
TOTAL RECOMMENDED:	272,254	267,566
Funding:		
General Fund	138,849	136,457
Special Revenue Fund	133,405	131,109
TOTAL RECOMMENDED:	272,254	267,566

Office of the Legislative Auditor

Increase or Decrease from Base

Item	Explanation	FY92	FY93
Additional Audit Staff	The office requested \$469,968 in the 1993 biennium to provide 9.0 additional FTE. These staff would be funded 51 percent by general fund and 49 percent by state special revenue. The office has been authorized 60.0 FTE since 1985. Since 1985, the number of required audits increased by nearly 5,200 hours, requiring the equivalent of 7.3 FTE. In addition, starting in fiscal year 1991-92 the office is required to conduct an annual financial audit of the State Compensation Mutual Insurance Fund, at an estimated increased annual cost of approximately .5 FTE. Also, the number of hours required for legislative requests and projects increased by nearly 12,000 hours, or the equivalent of 8.8 FTE. The Legislative Audit Committee requested 9.0 additional FTE to meet statutory, federal, and legislative requirements and to complete the existing workload.	\$235,239	\$234,729
Branch Office	The agency requested \$37,466 in the 1993 for implementation of the Legislative Branch Office Automation Plan. The plan would be funded 51 percent by general fund and 49 percent by state special revenue. The plan includes: a) ensuring compatibility amongst branch agencies; b) implementing an EDP equipment replacement plan; and c) planning for future technology.	\$12,552	\$24,914
Adjusted Costs	The agency requested \$32,386 in the 1993 biennium for adjusted costs for consultants, data processing, printing, and subscriptions. The adjusted increases would be funded 51 percent by general fund and 49 percent by state special revenue.	\$24,463	\$7,923

Audit & Examination

**Office
of
Legislative Fiscal Analyst**

LEGISLATIVE FISCAL ANALYST

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr Recommended	Base	Incr/Decr Recommended
Full Time Equivalent Employees	18.00	18.00	17.50	.00	18.00	.00
Personal Services	574,760.46	686,041	679,890	8,789	699,201	-2,203
Operating Expenses	95,590.70	163,199	110,212	12,771	167,239	-4,822
Equipment	17,818.02	20,297	2,500	0	2,500	0
Debt Service	1,406.70	0	0	0	0	0
Total Agency Costs	\$689,575.88	\$869,537	\$792,602	\$21,560	\$868,940	\$-7,025
General Fund	689,575.88	869,537	792,602	21,560	868,940	-7,025
Total Funding Costs	\$689,575.88	\$869,537	\$792,602	\$21,560	\$868,940	\$-7,025
Analysis And Review	689,575.88	869,537	792,602	21,560	868,940	-7,025
Total Program Costs	\$689,575.88	\$869,537	\$792,602	\$21,560	\$868,940	\$-7,025

MISSION AND GENERAL DESCRIPTION

The mission of the Office of the Legislative Fiscal Analyst is to provide the legislature with information and fiscal analysis that is needed to carry out its function of overseeing state government. The office's duties include analysis of the executive budget and revenue projections; on-going analyses of agencies' budgets; and review of budget amendments and any other matters which may have a fiscal impact.

The office provides services to the legislature both during the legislative session and in the interim between sessions. These services include staffing the Finance Committee and other committees upon request. In addition, the office answers numerous individual legislative requests for fiscal analyses.

AGENCY ORGANIZATION

The office is organized into four areas of responsibilities.

The director is responsible for the overall operation of the office. This includes supervision of the five section supervisors, staffing the Legislative Finance Committee meetings, providing the overall policies under which the office operates, and providing the primary liaison with the committee and other legislators.

The Revenue Section has the primary responsibilities of forecasting revenues, analyzing tax issues, tax proposals, calculating expenditure limitations, and calculating pay plan costs during the sessions. This section also has the data processing responsibility for the office.

The Natural Resources Section has the responsibilities of analyzing affecting agency budgets in Executive Budget, monitoring agency budgets during the interim, and providing reports and information concerning issues that may arise for those executive agencies in the human services and natural resources areas. The section also has the responsibility of the K-12 education budget.

The General Government, Highways, and Other Section has the same budget and budget monitoring responsibilities as the above section for those agencies included in these two areas. Included in this section is the office manager function which provides the secretarial support, office budget monitoring, payroll preparation, supplies ordering, filing, and bill paying.

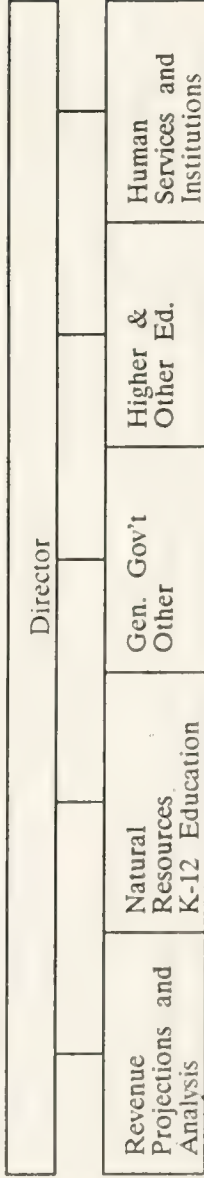
The Education Section has the responsibilities of budget analysis and review for higher education, the Office of Public Instruction, and "Other Education" agencies such as School for the Deaf and Blind and cultural education agencies.

The Human Services and Institutions Section has budget analysis and review responsibilities for the Departments of Social and Rehabilitation Services, Institutions, and Family Services.

All sections have the responsibilities of responding to legislative requests, bill monitoring during sessions, addressing issues in committee reports, and any other work related to the agencies within their assigned areas of responsibilities.

ORGANIZATIONAL CHART

Office of the Legislative Fiscal Analyst



AGENCY GOALS

1. Provide for fiscal analysis of state government and accumulate, compile, analyze, and furnish such information bearing upon the financial matters of the state that are relevant to issues of policy and questions of statewide importance, including but not limited to investigation and study of the possibilities of effecting economy and efficiency in state government;
2. Estimate revenue from existing and proposed taxes;
3. Analyze the executive budget and budget requests of selected state agencies and institutions, including proposals for the construction of capital improvements;
4. Make reports to the Legislative Finance Committee and the legislature; and
5. Assist the legislature by compiling and analyzing financial information.

AUTHORIZATION

The Office of the Legislative Fiscal Analyst is authorized under Section 5-12-101, MCA, of the Legislative Finance Act.

BASE FUNDING

The agency is funded entirely from the general fund.

Performance Indicators

Workload Measures	1990 Actual	FY91 Est.	FY92 Base	FY93 Base
Budget Amendments Reviewed	160	190	165	80
Major Interim Reports	40	15	40	15
Legislative Requests	90	120	90	120
Budgets Analyzed	--	350	--	350

INCREASES AND DECREASES FROM BASE

The current level budget increases 5.5 percent over the 1991 biennium for two major reasons: 1) fiscal year 1990 operating expenditures were substantially lower than normal due to change in directors during the year; and 2) substantial vacancy savings occurred in fiscal 1990. The budget request for fiscal 1992 and fiscal 1993 is less than the fiscal 1991 appropriation.

<u>ITEM</u>	<u>EXPLANATION</u>	<u>FISCAL YEAR FY92</u>	<u>FISCAL YEAR FY93</u>
Personal Services	Increases in personal services from the fiscal 1990 level are due to continuation of the fiscal 1991 pay plan increase in the 1993 biennium and full funding of authorized staff positions.	\$8,789	(S2,203)
Travel	Operating expenses are reduced below the fiscal 1991 appropriated level due to reductions in staff travel and need for computer consultants.	(\$4,846)	(\$7,666)
Network Services	Computer development and maintenance are currently provided by staff, eliminating the need for a computer consultant contract funded for the past several years.	(\$8,000)	(\$20,000)
Postage and Rent	Inflationary adjustments in postage and small increases in fixed costs such as rent are included but are reflected in the base rather than as increases.	-0-	-0-
Consulting & Professional	Also included in operating expenses is \$10,000 per year for contingencies that may arise during the 1993 biennium. Historically, the legislature has approved a \$20,000 biennial line-item appropriation to allow the agency to address unforeseen problems or issues that may confront the legislature during an interim, by contracting for legal assistance or specialized research. In fiscal 1990, \$1,230 of this biennial appropriation was used.	\$10,000	\$10,000
DOA Network	The executive budget base includes \$10,000 each year for network fees paid to the Department of Administration. However, the current level budget proposed in the Legislative Fiscal Analyst budget report does not include \$10,080 per year for network fees. If the legislature approves the inclusion of the statewide network in computer charges for the 1993 biennium, this amount will need to be added to the Legislative Fiscal Analyst budget but not to the executive.	-0-	-0-
Computer Processing	Computer processing costs-Department of Administration	\$10,280	\$13,100
	Various other increases and decreases in operating expenses.	\$5,337	(\$256)
Equipment	Since the 1989 legislature appropriated funds to replace and upgrade existing computer and printing equipment during the 1991 biennium, current level equipment includes only \$2,500 per year for the 1993 biennium to replace minor office equipment. Debt service payments for a copier ended in fiscal 1990.	-0-	-0-

MONTANA LEGISLATIVE COUNCIL

AGENCY 1104

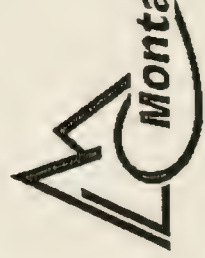
BUDGET NARRATIVE

1993 BIENNIUM

**Prepared in Cooperation with the
Office of Budget and Program Planning**

December 1990

Prepared by



Montana Legislative Council

Legislative Council - Narrative Budget Justification

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LEGISLATIVE COUNCIL

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	43.70	53.70	43.70	2.00	45.70	2.00	55.70
Personal Services	1,231,782.49	1,541,875	1,376,251	145,032	1,521,283	1,569,283	1,780,290
Operating Expenses	861,427.94	1,079,335	930,003	397,793	1,327,796	1,076,771	1,016,187
Equipment	120,432.19	86,525	86,500	23,548	110,048	86,500	74,057
Total Agency Costs	<u>\$2,213,642.62</u>	<u>\$2,707,735</u>	<u>\$2,392,754</u>	<u>\$566,373</u>	<u>\$2,959,127</u>	<u>\$2,732,554</u>	<u>\$2,870,534</u>
General Fund	1,806,223.72	2,416,119	2,030,897	-129,966	1,900,931	2,359,370	2,359,051
State Special Revenue Fund	407,418.90	291,616	361,857	696,339	1,058,196	373,184	511,483
Total Funding Costs	<u>\$2,213,642.62</u>	<u>\$2,707,735</u>	<u>\$2,392,754</u>	<u>\$566,373</u>	<u>\$2,959,127</u>	<u>\$2,732,554</u>	<u>\$2,870,534</u>
Interim Studies & Conferences	148,308.51	231,287	186,335	118,352	304,687	186,342	304,678
Reimbursable Activities	403,462.02	283,573	355,857	237,613	593,470	367,184	251,120
Legislative Council	1,661,872.09	2,192,875	1,850,562	210,408	2,060,970	2,179,028	2,314,736
Total Program Costs	<u>\$2,213,642.62</u>	<u>\$2,707,735</u>	<u>\$2,392,754</u>	<u>\$566,373</u>	<u>\$2,959,127</u>	<u>\$2,732,554</u>	<u>\$2,870,534</u>

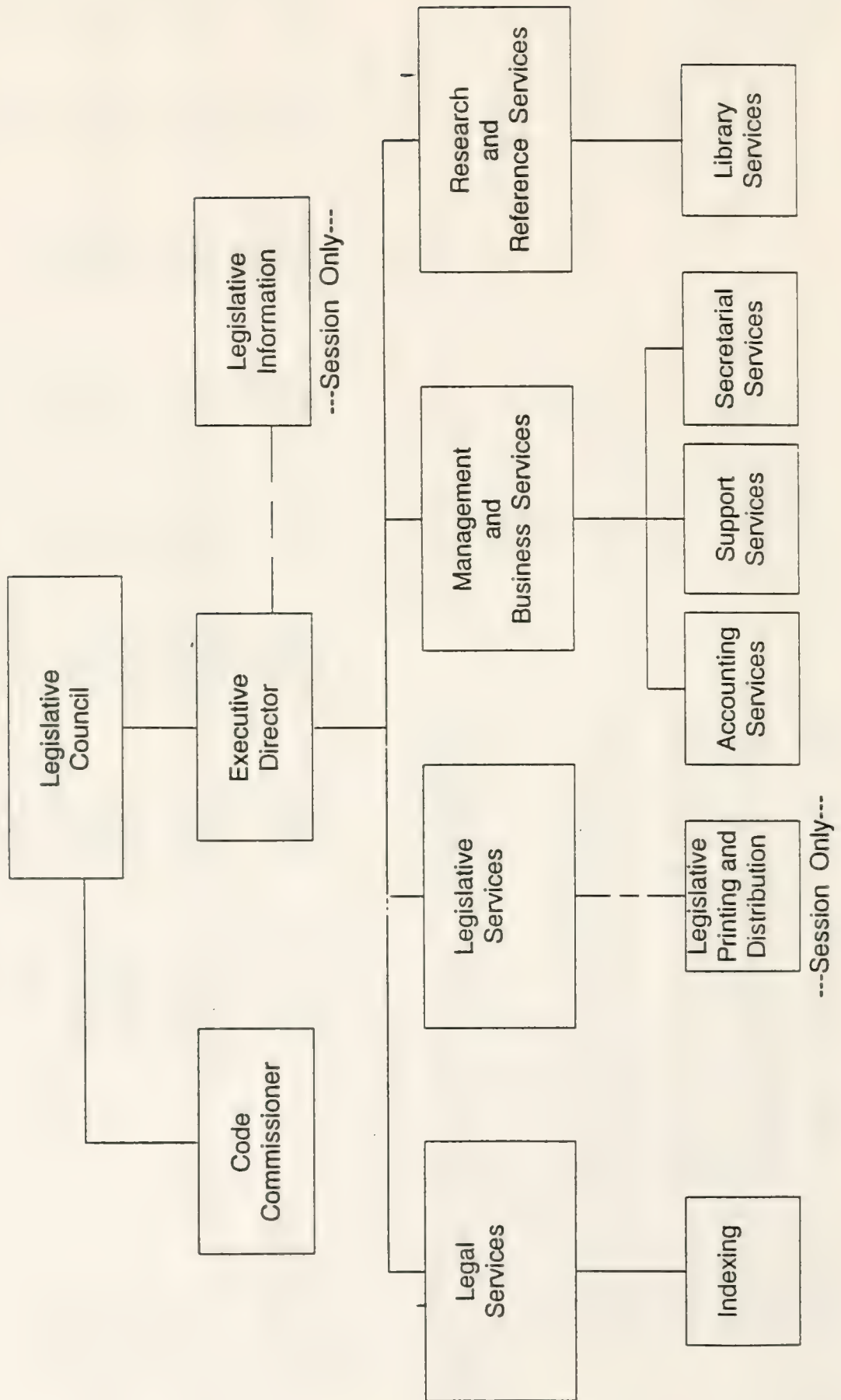
Mission and General Description of the Agency:

The Legislative Council provides a variety of support services to the Legislature. Council services (with citations to appropriate statutory or rules authorities) include:

- (1) bill and amendment drafting, clerical preparation of bills for introduction using automated equipment, and the engrossing and enrolling of bills [5-11-112(1)(a), (3)(a); Joint Rules 10-120, 40-40, 40-100, 40-110];
- (2) printing and distribution of legislative proceedings, rules, session laws, and journals of the House and Senate, and the preparation of indexes to the same [5-11-202, 5-11-205, 5-11-206, 5-11-211, et seq.; Joint Rules 10-160, 10-170];
- (3) provision of legislative research and reference services [5-11-112(2)(a) and (2)(b)];
- (4) legal counseling for the Legislature [5-11-112(3)(b)];
- (5) business management services [5-11-112(4); Joint Rule 10-100];
- (6) committee staffing [5-1-106, 5-5-214, 5-11-105(3), 5-11-111, 5-11-112(2)(c), 5-17-103];
- (7) support of standing committee investigations and other activities [5-5-214, 5-11-107];
- (8) service as the agency of interstate cooperation [5-11-301];
- (9) preparation and publication of the Montana Code Annotated statute text and Annotations [Title 1, chapter 11];

- (10) review of the text of proposed ballot measures [13-27-202];
- (11) review of proposed administrative rules by arrangement with the Administrative Code Committee [2-4-401, 2-4-402];
- (12) provision of legislative information to the public [5-11-112(2)(b)];
- (13) operation of the Legislative Intern Program [Title 5, chapter 6, part 1]; and
- (14) other services as assigned by the Legislature [5-11-112; Joint Rule 10-100 and various other rules].

The Council was established in 1957. Principal statutory authority is found in Title 1, chapter 11, and Title 5, chapters 5 and 11, MCA.



Agency Organization

The Legislative Council staff works under the general supervision of an eight-member bipartisan committee composed of four members of the House of Representatives and four members of the Senate. The staff is organized into four functional divisions as specified in 5-11-112, MCA: Management and Business Services Division, Research and Reference Services Division, Legal Services Division, and Legislative Services Division. Two additional units are activated during a legislative session: the Legislative Information Office and Legislative Printing and Distribution.

The Management and Business Services Division includes overall office support and management functions. Personnel of the division provide reception, secretarial services, and related functions; maintain all bookkeeping records; process claims and payrolls for the Legislature as well as the office; requisition all printing, supplies, and equipment; and serve the House and Senate during a session.

The Research and Reference Services Division and the Legal Services Division share many of the same responsibilities. Both divisions perform general and specialized research and reference and information functions. Staff members from both divisions may staff legislative committees during the session and throughout the interim, draft legislation, prepare legislative and staff reports, and provide information on the legislative process to the public. A staff of copy editors in the Legal Services Division helps maintain high quality in critical documents. The Research and Reference Services Division has primary responsibility for staffing interim committees and providing reference services. The Research and Reference Services Division maintains a reference library containing items of special interest to legislators and legislative staff. The library maintains a liaison with other libraries to help make information available as quickly as possible.

During a legislative session, the Legislative Information Office is in operation in the Capitol Rotunda. The office is established just prior to a legislative session, operates 6 days a week during session, and provides legislative information to the public via toll-free

telephone lines and to the many Capitol visitors. The office assists in preparation of the Legislative Telephone Directory. The Legislative Information Office also distributes the Legislative Rules, daily committee hearing calendars, information available through the computerized information system, daily House and Senate second and third reading agendas, seating charts, and other relevant materials.

The Code Commissioner, who currently is also the Legal Services Director, supervises the continuing codification, indexing, rearranging, and general updating of the text and annotations of the Montana Code Annotated. During the interim, publication and updating of the Montana Code Annotated is a primary responsibility of the Legal Services Division. Codification is a consuming task for the Code Commissioner, the Legal Services staff, and the Legislative Services staff immediately following a legislative session. Annotations, including case notes to federal and state court decisions and other materials useful to MCA users, are published separately from the section text in booklet format that may be easily updated. The preparation of Annotations text is a continuing interim responsibility.

A two-person indexing staff provides services in support of the Code Commissioner and Legislative Services Division responsibilities. The indexers produce an index to the Montana Code Annotated (that runs some 4,265 pages), as well as the subject index for all bills introduced during a legislative session, the Journal Index, Legislative Review Index, Session Law Index, Bill Drafting Manual Index, Combined Final Status Index, Legal Research Memorandum Index, and Legislative Rules Index. The major published indexes are updated during and after each legislative session.

The Legislative Services Division is responsible for the final preparation of Council documents and for computer system support for the Legislative Council and the Legislature. Final document preparation includes clerical preparation of introduced bills and engrossing and enrolling of bills, final preparation of letters and reports, operation of computer graphics programs, preparation of camera-ready copy for numerous publications, and maintenance of data bases used for these purposes. The

Division uses computerized word processing and data base management systems to operate with a high degree of effectiveness and accuracy with a relatively small staff of word processing operators, secretaries, and proofreaders. Publication and distribution of the text and Annotations for the Montana Code Annotated, bill drafting record index, internal reference report, Rules of the Montana Legislature, code sections affected list, daily bill status, Combined Final Status, Journals of the House and Senate, and Session Laws are Division responsibilities. Division staff has developed and maintains the system used to display bill status and other legislative information online during the session. A group of systems analysts and programmer/analysts within the Division play a key role in developing and maintaining the systems used to support document processing activities, as well as in planning and implementing office automation activities for this office and the Legislature--an area of demand that currently is growing rapidly.

Legislative Printing and Distribution, which is activated just prior to a legislative session, has two separate functions. The distribution center distributes bills, amendments, resolutions, indexes, daily status, rules, and journals to legislators, state agencies, lobbyists, and other subscribers to the legislative proceedings. Daily mailings of the proceedings are made to the 56 County Clerk and Recorders and 12 depository libraries in the state. The print shop staff orders all printing, sets priorities on the printing, prints the material, and delivers printed proceedings to the House and Senate bill distribution offices. Following the close of session business, Council management division personnel fulfill remaining duties of the distribution center.

INTERIM STUDIES AND CONFERENCES

Fiscal 1990 Fiscal 1991 -----Fiscal 1992-----Fiscal 1993-----
 Actual Appropriated Base Incr/Decr Recommended Base Incr/Decr Recommended

Full Time Equivalent Employees	2.00	2.00	2.00	.00	2.00	2.00	.00	2.00	2.00
Personal Services	18,454.81	34,888	25,936	19,873	45,809	25,943	19,865	45,808	
Operating Expenses	129,853.70	196,399	160,399	98,479	258,878	160,399	98,471	258,870	
Total Agency Costs	\$148,308.51	\$231,287	\$186,335	\$118,352	\$304,687	\$186,342	\$118,336	\$304,678	
General Fund	144,351.63	223,244	180,335	118,352	298,687	180,342	118,336	298,678	
State Special Revenue Fund	3,956.88	8,043	6,000	0	6,000	6,000	0	6,000	
Total Funding Costs	\$148,308.51	\$231,287	\$186,335	\$118,352	\$304,687	\$186,342	\$118,336	\$304,678	

Overview

The Interim Studies and Conferences Program exists to process and monitor the expenditures of the various legislative interim committees and conferences. The program has a technical component and a policy component. The technical component represents the service provided by the office in support of the policy component, i.e., the Legislature's purposes for activities supported by the program.

Goals

The goals of the Interim Studies and Conferences Program are:

Technical

- (1) to account for and pay legislator salaries, travel expenses, communications expenses, consultant costs, and other direct costs associated with the conduct of interim studies assigned under 5-5-211 and 5-5-217, MCA;
- (2) to account for and pay the cost of legislator participation in the activities of organizations promoting interstate cooperation; and

(3)

to account for and pay the cost of other interim activities for which appropriations are made;

Policy

(1)

to support accomplishment of the duties assigned to interim joint subcommittees under 5-5-215, MCA, most importantly:

- (a) accumulation, compilation, analysis, and furnishing of information pertinent to important issues of policy and questions of statewide importance;

(b)

preparation of bills and resolutions for the next Legislature; and

(c)

maintenance of accurate records of the subcommittee's activities and proceedings;

(2)

to achieve the interstate cooperation goals established in 5-11-301, MCA, particularly:

- (a) to develop and maintain friendly contact with other states and levels of government;
- (b) to establish delegations to confer with similar delegations from other states; and

(c) to advance cooperation with other units of government through suitable means; and

(3) to achieve the goals established by the authorizing legislation and committee action for other interim activities such as statutory and ad hoc committees the Council is assigned to support.

Authorization

Authorization is discussed in relation to each program goal or function.

Base Program

The Interim Studies and Conferences Program typically supports the costs of the following functions:

(1) interim studies activities established under 5-5-202 and 5-5-211 through 5-5-217, MCA, with funding for:

- (a) legislator salary and expenses;
- (b) the printing and postage costs of a study;
- (c) contracted services for a study; and
- (d) other extraordinary study costs;

(2) interstate cooperation activities of the Legislature as broadly authorized under 5-11-301, MCA, which typically include:

(a) Council of State Governments/Western Legislative Conference, which was founded in the 1930s to enhance interstate cooperation and sharing of information. Section 5-11-301, MCA, specifically assigns the Legislative Council the function of carrying forward the participation of the State of Montana as a member of the Council of State Governments.

b) National Conference of State Legislatures, which was formed in 1975 from three separate legislative organizations to improve the quality and effectiveness of state Legislatures, foster interstate communication

(3)

other legislative activities for which appropriations are made that typically include:

and cooperation, and ensure Legislatures a strong, cohesive voice in the federal system.

(c) The Five-State Conference, which has existed since 1961 to foster cooperation and sharing of information among the Legislatures of Montana, North Dakota, South Dakota, Wyoming, and Nebraska.

(d) Montana-Western Canadian Provinces Boundary Advisory Committee, which was created in 1985 and operates under Title 1, chapter 13, part 1, MCA. The Committee is to strengthen understanding and cooperation between Montana government and citizens and the governments and citizens of the neighboring Canadian provinces, with special emphasis on encouraging economic, cultural, and educational exchanges. The Committee is authorized to meet with an appropriate body representing the provinces of Alberta, British Columbia, and Saskatchewan.

(e) The Western States Legislative Forestry Task Force, which was established in 1974 to operate as a clearinghouse for opinions from all the various interests involved in the forest use and conservation in the West and which includes among its duties a report to the Legislatures of the participating states and to the state delegations in the United States Congress concerning means of protecting and fostering the forests of the participating states. Participation is reaffirmed each legislative session upon adoption of a joint resolution authorizing appointment of delegates.

(a) **Administrative Code Committee**, which was established in 1975 as a permanent joint committee to review all proposed rules, rule amendments, and rule repeals filed with the Secretary of State under the Montana Administrative Procedure Act (Title 2, chapter 4, MCA). The powers of the Committee are set forth in Title 2, chapter 4, part 4, MCA.

(b) **Capitol Building and Planning Committee**, which was created in 1971 to establish and maintain a master plan for the orderly development of state buildings in Helena. The Committee operates under Title 5, chapter 17, MCA.

(c) **Revenue Oversight Committee**, which was created in 1979 to review proposed rules of the Department of Revenue and exercise legislative oversight of that Department. The Committee also investigates and reports on any other matters concerning taxation, serving essentially as the interim legislative committee on taxation. The Committee operates under Title 5, chapter 18, part 1, MCA.

(d) **Coal Tax Oversight Subcommittee**, which was established in 1979 and operates under authority of Title 5, chapter 18, part 2, MCA. The Subcommittee reviews programs financed by coal severance tax funds and considers other matters relating to coal taxation.

(e) **Committee on Indian Affairs**, which has operated under legislative authorization from session to session since 1977 and under permanent statute since 1989. The Committee is directed to encourage participation of Indian people at committee meetings, to act as an available liaison between the Indian people and the Legislature, to encourage tribal-state and tribal-local government cooperation, and to hold hearings to promote better understanding between the tribes and public agencies.

(4) the Districting and Apportionment Commission as required by Title 5, chapter 1, part 1, MCA.

Base Funding

The program is funded primarily through biennial general fund appropriations set somewhat idiosyncratically by the Legislature. The Coal Tax Oversight Subcommittee has been funded with coal tax revenue since its inception. Other committees are funded from time to time from other rather ephemeral sources. The funding amounts included in the tables in this document are shown evenly divided by fiscal year, although appropriations typically are biennial.

Performance Indicators

Technical

(1) Do program accounts provide information necessary to support budget management of program activities?

(2) Do program accounts provide information needed to establish reasonable budget proposals?

(3) Does program accounting support efficient allocation of funds appropriated for interim studies among committees and interim support activities, including maintenance of an appropriate reserve for issues of statewide importance?

Policy

(1) Interim Studies and Other Interim Committees

(a) Is information developed through committee activity of continuing value in deliberations on the subject of the study?

(b) Does the committee work tell legislators something new about the subject under study or provide appropriate emphasis or organization for information otherwise known?

- (c) Does the report adequately document the nature of the subject under study?
- (d) Does the report suggest new ways for legislators to deal with policy and program problems studied (e.g., providing implementing legislation) or does it effectively suggest why the study showed that the problem did not need attention or legislative action?
- (e) Do governmental agencies and interest groups find information developed by the committee activity to be important, adequate, and fair in terms of balance and completeness?
- (f) Does the activity promote effective and appropriate public involvement in the legislative process?
- (g) Are committee activities well-planned and carried out in a logical, orderly manner?
- (h) Is a clear, concise record of the committee's activities available?
- (i) Does a retrospective analysis suggest that it was a good idea to have chosen the study as a priority?

(2) Interstate Cooperation

- (a) Does participation facilitate the orderly interchange of legislative service agency information and publications among the states?
- (b) Is informal cooperation among governmental offices and personnel promoted?
- (c) Is access to legislative information from other states and interstate organizations enhanced?
- (d) Do legislator members have the opportunity to participate effectively in conferences with their peers from other states?

- (e) Is Montana's opportunity to participate in the formulation of policy statements of interstate legislative organizations fulfilled?

Increase or Decrease From Base

<u>Item</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Modification Requests:			
Districting & Apportionment	This increase supports operation of the decennial districting and apportionment process. Funding is shown annually, but should be biennial. The budget will support commission salaries, travel, and printing and communications for the commission.	\$18,360	\$18,353
Adequate funding-Dues/Travel	This increase together with the current level budget would pay full dues to organizations such as CSG and NCSL that received less than full dues in past years; it also provides the balance of the amount needed to fully fund legislator travel to assigned committees within the traditional number of assignments.	\$65,978	\$65,978
Adequate Funding-	This increase contains the balance of the amount needed to fully fund the interim study process to Legislative Council specifications.	\$34,010	\$34,010

REIMBURSABLE ACTIVITIES

	Fiscal 1990 Actual Appropriated	Fiscal 1991 -----	Fiscal 1992 Base Incr/Decr Recommended	Fiscal 1993 Base Incr/Decr Recommended
Full Time Equivalent Employees	.00	.00	.00	.00
Personal Services	1,582.23	0	0	0
Operating Expenses	380,196.66	282,748	355,057	366,384
Equipment	21,683.13	825	800	800
Total Agency Costs	\$403,462.02	\$283,573	\$355,857	\$367,184
State Special Revenue Fund	403,462.02	283,573	237,613	237,613
Total Funding Costs	\$403,462.02	\$283,573	\$355,857	\$367,184

Overview

The Reimbursable Activities Program supports the publication and distribution of the Montana Code Annotated statute text, Annotations, and ancillary publications issued under 1-11-301 and 1-11-303, MCA, and supports the provision of reimbursable services provided by the Council office.

Goals

The goals of the Reimbursable Activities Program are:

- (1) to publish and distribute the Montana Code Annotated statute text prior to October 1 following a regular legislative session;
- (2) to publish accurate updates to the Annotations to the Montana Code Annotated once each biennium;
- (3) to publish Montana Code Annotated publications in an attractive and useful format that is economical and acceptable to a majority of the subscribers;
- (4) to budget and account accurately for the costs associated with publishing and distributing the Code statute text, Annotations, and ancillary publications;
- (5) to recover all costs of producing the Montana Code Annotated and up to a maximum of 20% in addition to the costs;
- (6) to provide an automatic, electronic, accurate billing and inventory system for the Montana Code Annotated and ancillary publications and for other billable activities;
- (7) to provide automated search services of the Montana Code Annotated data bases and production of camera-ready copy from those data bases on a cost-reimbursable basis;
- (8) to support subscriptions to a newsletter that reports interim legislative activities, planned meetings, and other legislative news; and
- (9) to support the provision of copy services for the dissemination of copies of legislative information and miscellaneous other services at a price that reflects cost.

Authorization

Title 1, chapter 11, parts 2 and 3, MCA

Legislative action each session

Base Program

The base program supports the goals listed above.

Base Funding

The program is funded through state special revenue derived from the sales of goods and services produced through the program. Sufficient revenue is generated to return to the general fund a measure of staff service costs that are figured into sales prices. The funding amounts included in the tables in this document are shown evenly divided by fiscal year, although appropriations typically are biennial.

Performance Indicators

- (1) Is the Montana Code Annotated statute text distributed to the subscriber on or before the goal?
- (2) Are the Annotations updated and published on a biennial basis?
- (3) Are Montana Code Annotated publications reasonably priced and presented in a manner that is attractive and useful to the purchasers?
- (4) Does budgeting accurately reflect costs of producing Montana Code Annotated publications?
- (5) Do the sales prices of the Montana Code Annotated publications include all direct and indirect costs plus the percentage adopted by the Legislative Council?
- (6) Does the billing and inventory system use state-of-the-art programs and is it accurate and efficient?

(7) Are all charges collected promptly?

(8) Are data base search and camera-ready services provided on a timely basis and accurately accounted and reimbursed?

(9) Is the newsletter widely distributed to persons interested in following the activities of the Legislature and is the cost of printing and distribution fully reimbursed?

(10) Are copies and miscellaneous materials provided on a timely basis at cost to requestors?

Increase or Decrease From Base

<u>Item</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Funding Switches:			
Increased Cost Estimates	Text DBMS costs are budgeted in program 7 instead of 10. There is an increase because of the added data base size and differences in how the program runs on the mainframe compared to ALTER.	\$78,778	\$78,777
Base Adjustments:			
Computer processing	Cyclical mainframe processing cost adjustments.	\$16,904	(23,297)
System development	Base Cost item not applicable to FY92-93.	(13,200)	(13,200)
Printing	Cyclical cost adjustments.	104,425	(172,491)
Office supplies	Cyclical and base cost adjustments.	29,304	3,304
Postage and mailing	Increased mailing levels.	23,055	19,455
	Other miscellaneous adjustments.	(1,653)	(8,612)

LEGISLATIVE COUNCIL OPERATIONS

	Fiscal 1990 Actual Appropriated	Fiscal 1991 -----	Fiscal 1992 -----	Fiscal 1993 -----	
		Base Incr/Decr Recommended	Base Incr/Decr Recommended	Base Incr/Decr Recommended	
Full Time Equivalent Employees	41.70	51.70	41.70	2.00	51.70
Personal Services	1,211,745.45	1,506,987	1,350,315	125,159	1,543,340
Operating Expenses	351,377.58	600,188	414,547	60,901	549,988
Equipment	98,749.06	85,700	85,700	24,348	85,700
Total Agency Costs	\$1,661,872.09	\$2,192,875	\$1,850,562	\$210,408	\$2,179,028
General Fund	1,661,872.09	2,192,875	1,850,562	-248,318	2,179,028
State Special Revenue Fund	0.00	0	0	458,726	0
Total Funding Costs	\$1,661,872.09	\$2,192,875	\$1,850,562	\$210,408	\$2,179,028
					\$2,179,028
					\$135,708
					\$2,314,736

Overview

The Legislative Council Operations Program provides for overall policy direction of the agency through the Legislative Council. The program also provides the personnel required to support the programs and activities of the agency, including an Executive Director and such other personnel necessary to assist in the preparation of proposed legislation and standing and select committee and subcommittee reports and recommendations and to carry out other Council activities.

Goals

The goals of the Legislative Council Operations Program are:

- (1) to support effective guidance of agency activities by the Legislative Council;
- (2) to provide the Legislature with economical, high-quality services within the Council's assigned areas of responsibility in accordance with the long-term requirements of the legislative institution;

- (3) to provide well-qualified, stable, permanent, objective, professional, and nonpartisan staff who provide effective and efficient services to the Legislature in accordance with the general guidance of the Legislative Council and the statutes;
- (4) to maintain staff skills through training and information;
- (5) to provide library reference services to the Legislature, the Council staff, and other legislative agencies and, to a limited degree, to other state agencies and individuals;
- (6) to provide limited research, legal analysis, and reference services in response to legislative requests, requests from sister states, and interstate agencies;
- (7) to provide, in response to requests, information to the public about the Legislature, statutes, and state government;

(8)	to draft bills for legislators and legislative committees;	Authorization
(9)	to support legislative needs as requested by the Legislature through leadership, committees, and committee chairmen;	Title 5, chapter 11, MCA
(10)	to provide research, legal, and organizational support to interim legislative committees up to the limits of staff availability;	Base Program
(11)	to accomplish the duties assigned the Code Commissioner in 1-11-204, MCA, effectively and efficiently;	The base program provides the staff and logistical support to accomplish the goals stated above.
(12)	to review ballot issues in accordance with the requirements of 13-27-202, MCA;	Base Funding
(13)	to support the production, engraving, and enrolling of bills and the production of journals, bill status reports, and publications indexes, using appropriate personnel and technologies to achieve the timely and accurate production of legislative documents and information;	The program is funded by the general fund.
(14)	to provide accounting, payroll, and purchasing services to the Legislative Council and the Legislature and internal central service support;	Performance Indicators
(15)	to operate the Legislative Intern Program in such a way as to meet the requirements of Title 5, chapter 6, part 1, MCA; and	Personnel Management
(16)	to support staff accomplishment of assigned duties by providing adequate logistical support, which includes:	(1) Is Legislative Council guidance clear and effective in promoting the goals?
	(1) adequate office space and furnishings;	(2) Is staff well-prepared, highly motivated, well-tempered, and dedicated to the goals of the agency?
	(2) office equipment, supplies, and materials;	(3) Is staff experience maintained through attainment of a modal longevity in the range of at least 4 to 6 years?
	(3) reference books, materials, and services;	(4) Is staff proficiency maintained through continued opportunity for on-the-job training, both formal and informal?
	(4) communications support, including telephone, mail, and other media.	(5) Is staff well-organized and is there sufficient staff to do the job effectively but with no excess?
		(6) Are staff services provided in a professional and courteous manner?

- (7) Is an objective, fair, and nonpartisan stance always evident in the provision of services?

Spot Research and Reference Services

- (1) Are legislative requests for research and reference information filled accurately and on a timely basis?
- (2) Are requests for information from other states, organizations, and the public filled efficiently and accurately?
- (3) Are adequate records maintained to track responses to requests?

Legislative Information and Services

- (1) Is information concerning the current status of bill drafts and bills in process provided in a timely manner and in an easily understood format?
- (2) Are indexes and other aids to finding legislative information accurate, useful, and timely?

Bill Drafting and Processing

- (1) Do bill drafts accurately reflect the policy goals of the requestor, and are they technically accurate and in compliance with the Bill Drafting Manual?
- (2) Are bill drafts produced in a timely manner?
- (3) Are bills prepared, engrossed, and enrolled accurately and in a timely manner?

Committee Staffing

- (1) Are staff services to the committees perceived as nonpartisan and fair to all members?

- (2) Are members satisfied with the services received?
- (3) Are high standards of technical competence achieved in the provision of staff services?

Interim Committee Activity

- (1) Does staff provide adequate options for committee consideration to support adoption of study plans and committee work plans appropriate to the responsibilities assigned the committee?
- (2) Are high-quality, pertinent reports prepared on a timely basis?
- (3) Are staff reports well-presented?
- (4) Are meeting preparations by staff thorough and timely?
- (5) Are adequate records of committee activities maintained?
- (6) Does staff prepare final reports that effectively express the activities and recommendations of committees?

Preparation of Code and Annotations

- (1) Is the law codified accurately and in a timely manner?
- (2) Are the Annotations prepared accurately and in a timely manner?
- (3) Do Annotations show creativity and produce helpful information for the Code user?
- (4) Are the needs of the subscribing public met?

Ballot Measure Review

- (1) Does staff review of the text of ballot measures adequately and clearly address issues of clarity, consistency, and other appropriate issues?
- (2) Is the result of the review clearly stated?
- (3) Does staff review and filing meet all requirements of the law, especially the 14-day timeframe contained in 13-27-202, MCA?
- (4) Are the ballot measures filed with the Secretary of State technically superior in quality to those submitted to the office for review?

Legislative Publications

- (1) Are legislative documents published by the office, such as journals and session laws, compiled accurately and in a timely manner?
- (2) Are publications printed and distributed in accordance with legal requirements?

Interstate Cooperation

- (1) Is effective use made of interstate organizational resources?
- (2) Are efforts of interstate organizations supported through exchanges of information prepared by the staff?
- (3) Are staff services enhanced through conferences, training, and information available through interstate organizations?

Legislative Intern Program

- (1) Has the Legislative Council established guidelines as required by 5-6-108, MCA?

- (2) Do the guidelines adequately promote the program and support the needs of the interns and the Legislature?

Logistics and Accounting

- (1) Are sufficient logistical resources allocated to accomplish program goals and objectives efficiently and effectively?
- (2) Is office space adequate and convenient for clients and staff?
- (3) Is staff provided with economically selected tools for doing its work, including appropriate technological tools?
- (4) Are office supplies and materials sufficient to support agency activities?
- (5) Are accounts maintained by the office in accordance with accounting system requirements and appropriate practices?
- (6) Are account structures appropriate to provide managers and other persons effective information regarding fiscal matters of the House, Senate, and Legislative Council?
- (7) Are properly submitted claims processed within 3 working days; and are payroll claims processed in time for the next ensuing payroll submission?

Increase or Decrease From Base

<u>Item</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Modification Requests:			
Base Pay Adjustments	In a major initiative, the Legislative Council adopted a pay plan and adjusted salaries as provided in the plan. The adjustments were made after the personal services base "snapshot" had been developed. This budget adjusts the base to reality.	\$34,161	\$30,349
Council Pay Plan	The pay plan includes scheduled increases for career progression funded by this variable.	\$32,821	\$84,946
Two Added FTE	This budget provides for a director for the management division and a programmer/analyst. The management division director is budgeted at a grade 15, which is equivalent to centralized services administrators in the executive. The systems analyst is budgeted at a training level of grade 11, step 5 in FY 92 and at a grade 13, step 5 in FY 93.	\$53,859	\$57,659
Reapportionment Tech Support	This budget supports acquisition of equipment, software, and data preparation as well as training to enable staff to the districting and apportionment commission to use available census data to support the reapportionment task.	\$138,486	\$11,213
Overtime	Estimated staff overtime payments for 92-93.	\$4,771	\$18,633
Computer Processing	Mainframe bill and text processing costs will be reduced because of the conversion from ALTER to text DBMS and the transfer of some text DBMS cost to the reimbursable activities program.	(30,328)	(62,185)
System Development Data Network Services	Computer system development and data network costs are increased over base amounts.	\$13,552	\$17,253
Books & Reference Materials	Maintenance of reference documents is transferred to the subscriptions category, with cyclical adjustments accounting for the difference between years.	(19,025)	(11,554)
Office and Data Processing Supplies	The FY92 increase reflects actual FY90 expenses and the addition of printer toner cartridges.	\$6,732	-0-
Maintenance Contracts	Software upgrades were reallocated to the intangible equipment category.	(16,287)	(12,327)

Increase or Decrease From Base (cont.)

<u>Item</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Subscriptions	Costs were reallocated from books and reference materials.	\$14,248	\$15,616
Equipment/Software	The recommended level is lower than the base but maintains equipment and software at current technology levels.	(18,517)	(11,643)
	Other miscellaneous decreases to base.	(4,065)	(2,252)
Funding Switch	A major change in funding for this program is proposed by directly allocating applicable personal service and operational cost to state special revenue derived from sales of the Montana Code Annotated statute text and annotations and ancillary publications.	\$458,726	\$254,363

ENVIRONMENTAL QUALITY COUNCIL

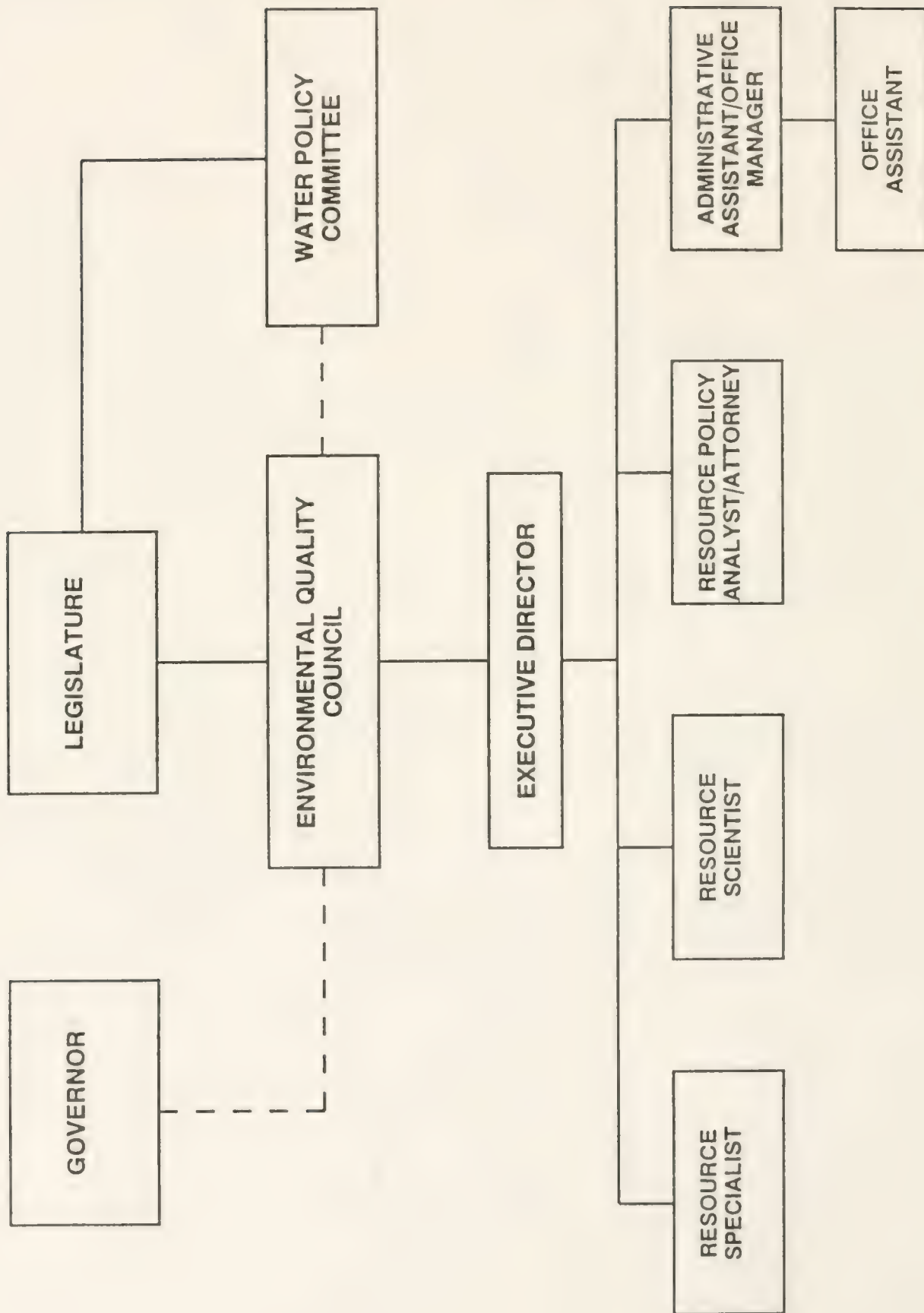
ENVIRONMENTAL QUALITY COUNCIL

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr Recommended	Base	Incr/Decr Recommended
Full Time Equivalent Employees	6.50	6.50	6.50	.00	6.50	.00
Personal Services	178,453.20	207,435	212,980	213,971	212,567	213,555
Operating Expenses	45,426.84	59,630	71,093	60,424	71,107	56,832
Equipment	4,933.27	5,000	3,000	5,000	3,000	5,000
Total Agency Costs	\$228,813.31	\$272,065	\$287,073	\$279,395	\$286,674	\$275,387
General Fund	221,779.50	252,654	273,848	266,170	273,448	262,161
State Special Revenue Fund	7,033.81	19,411	13,225	13,225	13,226	13,226
Total Funding Costs	\$228,813.31	\$272,065	\$287,073	\$279,395	\$286,674	\$275,387
Environmental Quality	221,779.50	252,654	273,848	266,170	273,448	262,161
Water Policy Committee	7,033.81	19,411	13,225	13,225	13,226	13,226
Total Program Costs	\$228,813.31	\$272,065	\$287,073	\$279,395	\$286,674	\$275,387

MISSION AND GENERAL DESCRIPTION

The Environmental Quality Council (EQC) was created in 1971 to implement provisions of the Montana Environmental Policy Act (MEPA - Title 75, Chapter 1, MCA). Two programs exist within the agency. The Environmental Quality Council Program is responsible for the general EQC program and for the environmental quality goals established in MEPA. The Water Policy Committee Program is responsible for advising the legislature on state water policy and utilizes the staff of the EQC for support.

The 1993 biennium budget for the EQC is presented as approved by the Environmental Quality Council and the Water Policy Committee. The EQC program is supported entirely by general fund and the Water Policy Program is supported through resource indemnity trust state special revenue funds. For the 1993 biennium, the Water Policy Committee funding is again proposed as a biennial appropriation at the same level as in the 1991 biennium. However, funds are evenly divided between the two fiscal years.



AGENCY ORGANIZATION

The Environmental Quality Council (EQC) staff works under the general supervision of a thirteen-member bipartisan committee composed of four members of the House of Representatives, four members of the Senate, four citizen members, and a representative of the Governor. The staff is supervised by the Executive Director who is directly responsible to the EQC. Because its' staff size is small, there are no administrative divisions within the EQC and it operates as one functional unit.

Included in the EQC staff are 5.50 employees: the Executive Director, a resource specialist, a resource policy analyst/attorney, a resource scientist, an administrative assistant/office manager, and an office assistant.

PERFORMANCE INDICATORS

The performance indicators correspond to the above Base Program elements:

1. Did the information gathered facilitate problem-solving on applicable issues?
2. Did the review of state environmental programs and activities comprehensively demonstrate compliance with relevant legislative guidelines?
3. Did recommendations developed improve these environments and reduce conflict in applicable areas?
4. Did the studies adequately document problems, provide new and useful information, assess the situation in an unbiased manner, and assist in resolving the applicable issues?
5. Did legislation drafted accurately reflect the sponsor's request and was it completed in a timely manner according to the Bill Drafting Manuals?
6. Did research provide comprehensive, unbiased, useful information for the legislator requesting it?
7. Were committee members satisfied with the quality of assistance provided?
8. Did the environmental review process improve as a result of EQC oversight and involvement?
9. Was the information provided accurate, unbiased, and timely?
10. Did the assistance reach a substantial number of businesses and were businesses satisfied with the quality and timeliness of the information?
11. Did the mediation contribute to resolving the conflict so that the parties were fairly considered?

INCREASE AND DECREASE FROM BASE

During the 1991 biennium, the EQC modified its budget through operating plan amendments that moved funds from operating expenses into personal services to provide salaries at levels comparable to other legislative agencies. The base amounts and increases in personal services costs are due to these operating plan amendments, full funding of authorized staff positions, and continuation of the fiscal 1991 pay plan increase in the 1993 biennium.

Operating expenses are reduced below the base level because the EQC reduced travel, contracted services, and rent to economize in these areas and to more adequately fund personal services and equipment. Equipment expenditures increase from \$3,000 to \$5,000 per year in accordance with the Legislative Agency Network standards and plans.

This level is the same as the equipment budget established in the EQC's operating plan amendments for both fiscal 1990 and 1991.

OTHER ISSUES

The EQC has requested \$31,600 general fund for the biennium for an additional 0.5 FTE for coordination, oversight, and liaison to executive agencies for compliance with MEPA. Over the past several years, EQC staff has been called upon to staff new legislative committees and conduct interim studies to the detriment of its MEPA responsibilities. No additional staff has previously been added to accomplish these assignments.

WATER POLICY COMMITTEE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Deer Recommended	Base	Incr/Deer Recommended
Full Time Equivalent Employees	.25	.25	.25	.00	.25	.00
Personal Services	1,918.78	3,526	2,765	0	2,766	0
Operating Expenses	5,115.03	15,885	10,460	0	10,460	0
Total Agency Costs	\$7,033.81	\$19,411	\$13,225	\$0	\$13,226	\$0
State Special Revenue Fund	7,033.81	19,411	13,225	0	13,226	0
Total Funding Costs	\$7,033.81	\$19,411	\$13,225	\$0	\$13,226	\$0

OVERVIEW

The Water Policy program was established to operate the Water Policy Committee, statutorily created by the Forty-ninth Legislature. The Water Policy Committee's duties include advising the legislature on the adequacy of the state's water policy and on important state, regional, national, and international developments relating to Montana's water resources; overseeing the policies and activities of the Department of Natural Resources and Conservation and other entities as they relate to water management; analyzing and commenting on the state water plan, the water development program, water research, the water leasing pilot program, and water data management system; and reporting to the legislature each biennium.

GOALS

The goal of the Water Policy Committee Program is to enable the committee to efficiently and effectively meet statutory responsibilities assigned to the Water Policy Committee in 85-2-105, MCA, and 85-2-436, MCA.

AUTHORIZATION

Title 85, Chapter 2, Section 105, MCA.
Legislative action each session.

BASE PROGRAM

The base program includes the following elements:

1. To provide staff assistance to the Water Policy Committee as required in 85-2-105, MCA.
2. To advise the legislature regarding the adequacy of the state's water policy and of important state, regional, national, and international developments relating to Montana's water resources.
3. To oversee the policies and activities of the Department of Natural Resources and Conservation and other entities as they relate to water management.
4. To analyze and comment on the state water plan, the water development program, water research, and water data management system.
5. To conduct studies and investigations on water policy issues as requested by the legislature.

BASE FUNDING

The program is funded through state special revenue derived from Resource Indemnity Trust Fund interest income.

PERFORMANCE INDICATORS

The following performance indicators correspond to the Base Program elements listed above:

1. Did the committee express satisfaction with the assistance provided? Were committee activities well organized, productive, and within budget constraints?

2. Was the information provided accurate, unbiased, timely, and comprehensive?
3. Were all important activities of the DNRC brought to the committee's attention and were productive improvements or modifications suggested and implemented?
4. Did the analysis undertaken substantially result in improved programs?
5. Did responses to legislative requests for studies and research assist in resolving problems identified?

MONTANA CONSUMER COUNSEL

MONTANA CONSUMER COUNSEL

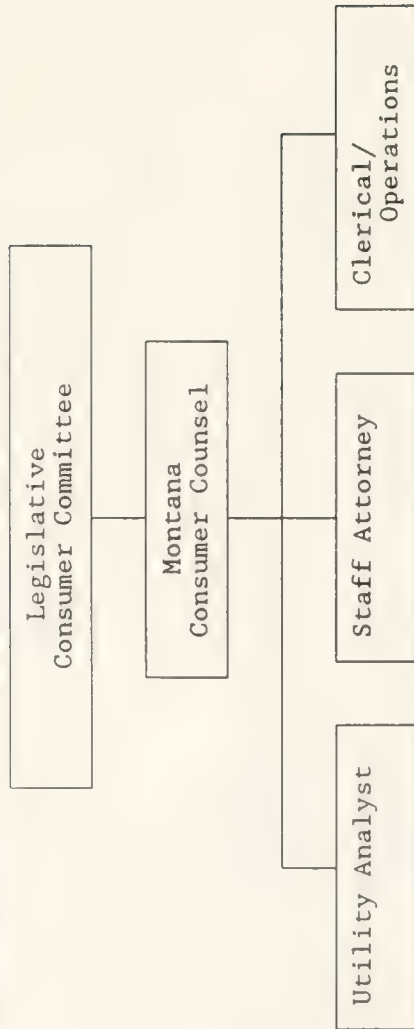
	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended	
Full Time Equivalent Employees	4.25	4.25	4.25	.00	4.25	.00	4.25
Personal Services	190,030.05	195,868	197,497	5,299	197,101	4,971	202,072
Operating Expenses	424,393.16	691,194	691,778	8,921	691,986	27,606	719,592
Equipment	5,605.00	1,260	1,260	450	1,260	450	1,710
Total Agency Costs	\$620,028.21	\$888,322	\$890,535	\$14,670	\$890,347	\$33,027	\$923,374
State Special Revenue Fund	620,028.21	888,322	890,535	14,670	890,347	33,027	923,374
Total Funding Costs	\$620,028.21	\$888,322	\$890,535	\$14,670	\$890,347	\$33,027	\$923,374
Administration	620,028.21	888,322	890,535	14,670	890,347	33,027	923,374
Total Program Costs	\$620,028.21	\$888,322	\$890,535	\$14,670	\$890,347	\$33,027	\$923,374

Mission and General Description

The office of the Montana Consumer Counsel was created by Article XIII, Section 2 of the 1972 Montana Constitution. The Consumer Counsel is charged with the "duty of representing consumer interests in hearings before the public service commission or any other successor agency". The office also may "institute, intervene in, or otherwise participate in appropriate proceedings in the state and federal courts and administrative agencies in the name of and on behalf of the utility and transportation consuming public of the state of Montana, or substantial elements thereof".

The Legislative Consumer Committee generally oversees the operations of the Consumer Counsel and appoints the Consumer Counsel. The office operates in only one "Administrative" program.

Agency Organization



The Legislative Consumer Committee consists of two members of the senate and two members of the house of representatives. The committee meets with the Montana Consumer Counsel and staff at least four times a year, but usually at least bi-monthly. At that time the Consumer Counsel reports to the committee on the status of cases in which the office is involved and the budget/financial status of the office.

The Montana Consumer Counsel is required to have a bachelor's degree or equivalent with a major or minor in accounting and be admitted to practice law in Montana and United States District Courts. With the approval of the committee, the Consumer Counsel appoints employees and consultants necessary to carry out the duties of the agency, and directs the staff.

Historically and presently the staff consists of a Utility Analyst, a Staff Attorney, and a Clerical/Operations individual. The office is located at 34 West Sixth Avenue in Helena.

Goals

The major goals of the Administrative Program are:

1. To provide for representation of Montana consumers in proceedings before the Montana Public Service Commission.
2. To represent Montana consumers in appropriate proceedings before the Federal Energy Regulatory Commission. the

Interstate Commerce Commission and the Federal Communications Commission.

3. To provide for representation of Montana consumers in appropriate state and federal court proceedings.
4. To initiate complaint proceedings and lawsuits for Montana consumers in instances involving quality and cost of service of regulated entities before appropriate administrative agencies or courts.
5. To monitor proposed legislation and participate in the legislative process before the Montana Legislature for Montana consumers.

Authorization

Title 5, Chapter 15, Montana Code Annotated

Title 69, Chapters 1 and 2, Montana Code Annotated

Basic Funding

The office is not funded with general fund monies, but rather through a Consumer Counsel Tax on all regulated entities under the Public Service Commission's jurisdiction (gas, electric, telephone, waste and sewer utilities, motor carriers and railroads). Title 69 provides for both a base appropriation

and a contingency appropriation for contracted consultant expenses resulting from an unanticipated caseload. The tax is collected quarterly by the Department of Revenue, and can be adjusted periodically to avoid accrual of significant cash balances.

Performance Indicators

The functions of the Office of Consumer Counsel are set forth above under the sections **Mission and General Description and Goals**, as well as in Sections 69-2-201 through 212, Montana Code Annotated. Actual expenses and workload are controlled by (1) the fluctuating caseload generated by regulated utilities and transportation companies, and (2) restructuring or changing of the industry environment. Each case in which the office participates is unique due to the issues involved. Some require significant expenditures of money and staff time; others less significant amounts. Some are resolved in nine months; others may take years. Some cases involve levels of utility earnings, while others concern rate structure equity or service reliability. Some cases are settled at various stages of preparation, while others are fully litigated. This workload cannot be meaningfully measured or evaluated numerically.

Increases/Decreases from Base

<u>Item</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Personal Services	Personal services increase due to the fiscal 1991 pay increase.		
Salary		3,898	3,898
Benefits		<u>1,401</u>	<u>1,132</u>
Total Personal Services		5,299	4,971
Operating Expenses	Operating costs increase due to an anticipated increased and more typical caseload than FY90, when the agency expended only 59 percent of the amount appropriated for consultants due primarily to an a typical caseload procedure. The object of expenditure 2100 category represents over 2/3 of the Consumer Counsel's budget. Actual expenses are controlled by the fluctuating caseload generated by regulated utilities and transportation companies. The office requests funding for 1992 at basically the same level appropriated for 1991 for this category. The 1993 request is inflated by 3% based on historical experience. The office also requests an increased travel budget in the 1993 biennium due to changed air fare rate structures and resulting increased costs, as well as an increase in regulatory activity at the federal level.		
Contracted Services		1,008	19,872
Travel		6,770	6,887
Other		<u>1,144</u>	<u>847</u>
Total Operating Expenses		8,922	27,606
Equipment & Intangible	Equipment costs increase very slightly due to projected software update expenses.	<u>450</u>	<u>450</u>
Agency Total Increases		14,671	33,027



MONTANA COURTS

JUDICIARY

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended
Full Time Equivalent Employees	88.50	88.50	88.50	3.00	88.50	91.50
Personal Services	3,882,667.21	4,070,259	4,145,889	88,542	4,234,431	4,222,763
Operating Expenses	947,539.17	978,788	1,059,721	45,825	1,105,546	1,103,682
Equipment	246,017.31	234,554	256,329	63,240	319,569	315,857
Total Agency Costs	<u>\$5,076,223.69</u>	<u>\$5,283,601</u>	<u>\$5,461,939</u>	<u>\$197,607</u>	<u>\$5,659,546</u>	<u>\$5,642,302</u>
General Fund	4,646,956.51	4,848,536	5,012,007	172,446	5,184,453	5,169,270
State Special Revenue Fund	429,267.18	435,065	449,932	25,161	475,093	473,032
Total Funding Costs	<u>\$5,076,223.69</u>	<u>\$5,283,601</u>	<u>\$5,461,939</u>	<u>\$197,607</u>	<u>\$5,659,546</u>	<u>\$5,642,302</u>
Supreme Court Operations	1,416,794.57	1,466,131	1,406,374	58,069	1,464,443	1,458,923
Boards And Commissions	215,864.09	211,412	215,267	29,826	245,093	241,663
Law Library	663,576.74	693,333	722,191	27,529	749,720	749,090
District Court Operations	2,350,721.11	2,477,660	2,514,701	50,164	2,564,865	2,557,558
Water Courts Supervision	429,267.18	435,065	449,932	25,161	475,093	473,032
Clerk Of Court	0.00	0	153,474	6,858	160,332	162,036
Total Program Costs	<u>\$5,076,223.69</u>	<u>\$5,283,601</u>	<u>\$5,461,939</u>	<u>\$197,607</u>	<u>\$5,659,546</u>	<u>\$5,642,302</u>

ORGANIZATION

The Judiciary consists of six programs:

Supreme Court Operations; Boards and Commissions; Clerk of the Court;
State Law Library; District Court Operations; Water Court Operations.

MISSION AND GENERAL DESCRIPTION

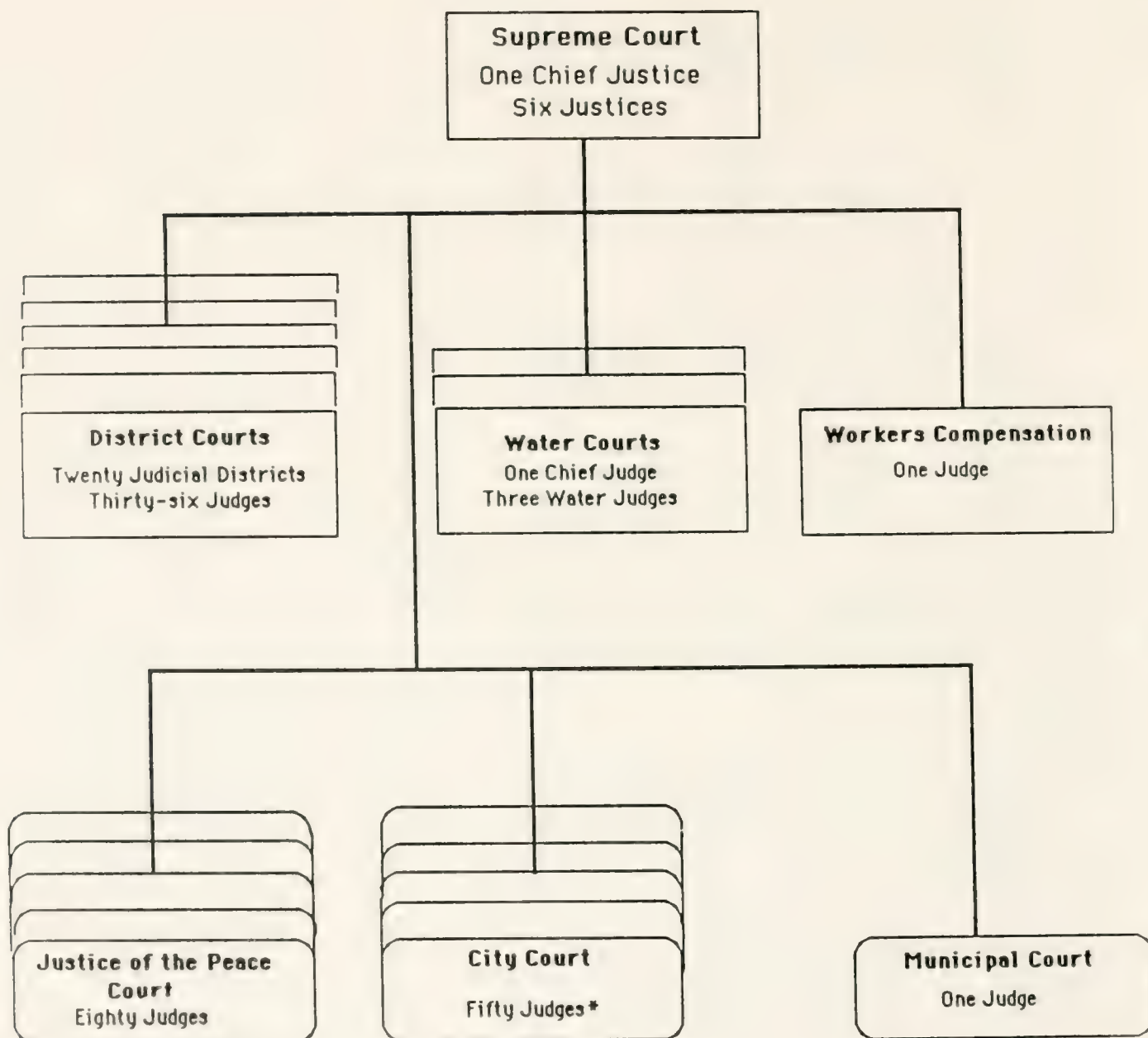
Article VII, Section 2, of the Montana Constitution mandates that the Supreme Court has appellate jurisdiction for the State of Montana and that it may issue, hear and determine writs appropriate to its jurisdiction. The Supreme Court has original jurisdiction to issue, hear, and determine writs of habeas corpus and such other writs as may be provided by law. In addition, it has general supervisory control over all other courts in the state.

The Supreme Court is also charged with establishing rules governing appellate procedure, the practice and procedure for all other courts, admission to the bar and the conduct of its members. The Supreme Court consists of a chief justice and six justices.

GOALS

The primary goal of the Supreme Court is to process all matters that reach the Court for determination with as little delay as possible.

STRUCTURE OF THE MONTANA JUDICIARY



*Thirty seven Justices of the Peace also serve as City Judges.

SUPREME COURT OPERATIONS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	32.00	32.00	28.00	2.00	28.00	2.00	30.00
Personal Services	1,098,501.71	1,140,902	1,030,391	66,834	1,028,433	66,694	1,095,127
Operating Expenses	305,252.62	309,113	359,867	-24,790	362,381	-30,853	331,528
Equipment	13,040.24	16,116	16,116	16,025	16,116	16,152	32,268
Total Agency Costs	\$1,416,794.57	\$1,466,131	\$1,406,374	\$58,069	\$1,406,930	\$51,993	\$1,458,923
General Fund	1,416,794.57	1,466,131	1,406,374	58,069	1,406,930	51,993	1,458,923
Total Funding Costs	\$1,416,794.57	\$1,466,131	\$1,406,374	\$58,069	\$1,406,930	\$51,993	\$1,458,923

OVERVIEW

Article VII, Section 2, of the Montana Constitution mandates that the Supreme Court has appellate jurisdiction for the State of Montana and that it may issue, hear and determine writs appropriate to its jurisdiction. The Supreme Court has original jurisdiction to issue, hear, and determine writs of habeas corpus and such other writs as may be provided by law.

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GOALS

The primary goal of the Supreme Court is to process all matters that reach the Court for determination with as little delay as possible.

PERFORMANCE INDICATORS

	CY87	CY88	CY89 (estimated)	CY90
Cases filed	571	628	633	651
Cases handed down by full opinion	358	363	359	387

INCREASE FROM BASE

<u>ITEM</u>	<u>EXPLANATION</u>	<u>FISCAL 1992</u>	<u>FISCAL 1993</u>
Court Automation	HB 320 started funding for automation in the Courts, the Judiciary's budget proposal includes this separate appropriation to continue the automation of the Judicial branch. This modification includes 2.00 FTE programmer/analysts to continue the implementation of the project.	\$101,646	\$101,647
Subscriptions	Maintenance of law related subscriptions for Supreme Court.	4,643	4,643
Books and Reference	Cost of Montana reports for Supreme and District courts.	4,000	(1,875)
Network Services	Decrease in the fixed cost allocation of network charges based upon the number of PCs operated by the program.	(50,812)	(50,812)
Grounds Maintenance	Eliminate duplicate amounts in base.	(7,560)	(7,560)
Other	Various increases to base expenses.	6,152	5,950

BOARDS AND COMMISSIONS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	3.00	3.00	3.00	.00	3.00	.00	3.00
Personal Services	87,081.78	88,808	91,036	117	91,153	36	91,117
Operating Expenses	128,291.78	121,804	123,431	29,709	153,140	26,296	149,746
Equipment	490.53	800	800	0	800	0	800
Total Agency Costs	<u>\$215,864.09</u>	<u>\$211,412</u>	<u>\$215,267</u>	<u>\$29,826</u>	<u>\$245,093</u>	<u>\$26,332</u>	<u>\$241,663</u>
General Fund	215,864.09	211,412	215,267	29,826	245,093	26,332	241,663
Total Funding Costs	<u>\$215,864.09</u>	<u>\$211,412</u>	<u>\$215,267</u>	<u>\$29,826</u>	<u>\$245,093</u>	<u>\$26,332</u>	<u>\$241,663</u>

OVERVIEW

There are several Supreme Court Boards and Commissions established either by Legislative or Constitutional mandate. These Boards and Commission handle areas such as judicial discipline, rules, admission to the bar, and various other substantive issues aimed at improving and maintaining the administration of justice.

BASE PROGRAM

JUDICIAL STANDARDS COMMISSION

Program Objective:

The Montana Constitution mandates in Article VII, section 11, that the Legislature create a judicial standards commission to investigate complaints and make recommendations regarding the conduct of judicial officers. (Article VII, Section 11; Title 3, chapter 1, part 11, MCA)

GOALS

The major goal of the Judicial Standards Commission is to process complaints without delay while maintaining due process.

PERFORMANCE INDICATORS

	CY 85	CY 86	CY 87	CY 88	CY 89	CY 90
Complaints filed	12	11	37	35	37	(estimated) 28

COMMISSION ON THE USE OF APPROPRIATE TECHNOLOGY IN THE MONTANA JUDICIARY

Program Objective:

The Commission is charged with the responsibility for monitoring the use of computers in the Judiciary in order to better manage both the workload and caseload of the courts in an efficient, cost effective manner. The Supreme Court has asked the Commission to comprehensively review the current and future uses of appropriate technology within the Montana Judiciary and to recommend to the Supreme Court those changes and alternatives that it considers necessary to improve the operation of the judicial system.

SENTENCE REVIEW DIVISION

Program Objective:

The three judge Sentence Review Division is required to review felony sentences imposed in the various judicial districts throughout the State of Montana.

GOALS

The Division's goal is to provide for effective and uniform administration of the review of sentences imposed on convicted felons in the State. Upon application by an inmate, the Sentence Review Division may increase, decrease, or affirm a prisoners sentence.

PERFORMANCE INDICATORS

	CY 85	CY 86	CY 87	CY 88	CY 89	CY 90
Sentence Review Applications Filed	101	128	140	159	148	204
					(estimated)	

BOARD OF BAR EXAMINERS

Program Objective:

The Board of Bar Examiners acts as an examining board to conduct and assist in conducting the examination of applicants for admission to the bar. (37-61-part 1, MCA).

PERFORMANCE INDICATORS

	CY 85	CY 86	CY 87	CY 88	CY 89	CY 90
Number of Exams Conducted	165	155	137	114	102	120

JUDICIAL NOMINATIONS COMMISSION

Program Objective:

The seven-member Judicial Nominations Commission is required to provide the Governor with a list of candidates for appointment to fill any vacancy on the Supreme Court or District Court and to provide the Chief Justice of the

Supreme Court with a list of candidates for appointment to fill any term or vacancy for the chief water judge. (Article VII, section 8, and 3-1-part 10, MCA)

PERFORMANCE INDICATORS

The Commission meets as necessary when a vacancy occurs or a term expires. The Commission met once in calendar year 1986 (Luedke/Filner), four times in calendar year 1987(Morrison/McDonough; McDonough/Cox; Boyd/Mizner; Reardon/Reardon), and one in calendar year 1988 (Holter/Keller). In 1989 the Commission met 6 times, once to fill a vacancy on the Supreme Court (Gulbrandson/Barz), four times to nominate to fill vacancies on the District Court,(Wheeliest/McLean; Gary/Moran; Loble/McCarter; and Barz/Colberg) and once to nominate for the position of Chief Water Judge (Lessley reappointed). In 1990 the Commission met once to nominate to fill a vacancy in the office of Chief Water Judge (Lessley/ Loble) and once to nominate to fill a vacancy on the District Court (Olsen/Purcell).

COMMISSION ON COURTS OF LIMITED JURISDICTION

Program Objective:

The Commission is responsible for recommending to the Supreme Court rules of practice and procedure designed to improve and make uniform throughout the state the practices of courts of limited jurisdiction. In addition the Commission organizes and oversees the training and certification of justices of the peace and city judges in the State of Montana. (Article VII, section 2; Title 3, chapter 1, part 15, 3-10-203 and 3-11-204, MCA)

PERFORMANCE INDICATORS

The Commission holds 10 meetings each year and conducts two annual training sessions for all elected and appointed justices of the peace and city judges. The Commission conducted the following hours of training:

Calendar 1986 - 37.5 hours
Calendar 1987 - 33.75 hours
Calendar 1988 - 47.75 hours
Calendar 1989 - 42.75 hours
Calendar 1990 - 70.50 hours (including Certification Testing)

COMMISSION ON PRACTICE

Program Objective:

The Commission is charged by the Supreme Court with the responsibility of

reviewing the operation of the lawyer discipline system in the State of Montana and in investigating complaints filed against members of the State Bar of

Montana. The Commission conducts hearings and formal disciplinary proceedings, administers admonitions, and makes disciplinary recommendations to the Supreme Court. (Article VII, Section 2(3))

PERFORMANCE INDICATORS

CY 85	CY 86	CY 87	CY 88	CY 89	CY 90
				(estimated)	
Complaints filed:	147	165	192	194	213
					233

ADVISORY COMMISSION ON RULES OF CIVIL PROCEDURE AND APPELLATE PROCEDURE

Program Objective:

The Commission is charged with analyzing changes in the Federal Rules of Civil Procedure to determine whether further modifications of the Montana Rules of Civil Procedure should be adopted. Modifications are necessary from time to time in order to coordinate with federal rule and procedure changes.

GOALS

The goal is to keep current with developing changes and to promote speedy resolution of litigation.

PERFORMANCE INDICATORS

The Advisory Commission meets periodically to review rules and makes recommendations to the Supreme Court for necessary modifications.

COMMISSION ON THE RULES OF CRIMINAL PROCEDURE

Program Objectives:

To prepare proposed criminal procedure guidelines for courts, lawyers and defendants to follow for consideration by the Supreme Court and to review and propose revisions to the Court on an on-going basis.

PERFORMANCE INDICATORS

The Commission has presented draft criminal procedure guideline changes to the

Supreme Court. Continual maintenance is necessary to keep these guidelines up-to-date.

COMMISSION ON UNIFORM DISTRICT COURT RULES

Program Objectives:

To monitor proposed uniform district court rules for consideration by the Supreme Court and to review and propose revisions to the Court on an on-going basis.

PERFORMANCE INDICATORS

The proposed uniform district court rules have been presented to the Supreme Court and have been adopted. Continual maintenance and revision is necessary to keep the rules current.

INCREASE FROM BASE

<u>ITEM</u>	<u>EXPLANATION</u>	<u>FISCAL 1992</u>	<u>FISCAL 1993</u>
Consulting & Profess.	Increase in contract services for various boards and commissions.	\$6,260	\$2,760
Food Services Expense	Increase in fee-reimbursed expenses for limited jurisdiction court training.	13,500	13,500
Printing	Increase in fee-reimbursed expenses for limited jurisdiction court training.	5,492	5,492
Personal Car Mileage	Increase in mileage reimbursement for various boards and commissions.	11,519	11,519
Education and Training	Delete certification testing for limited jurisdiction courts, The next certification will be during FY94.	(10,000)	(10,000)
Other	Increases in other expense categories.	3,055	3,061

STATE LAW LIBRARY

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	6.50	6.50	6.50	.00	6.50	.00	6.50
Personal Services	169,526.20	178,069	179,593	407	180,000	406	179,825
Operating Expenses	268,806.92	299,626	305,185	12,407	317,592	15,050	321,476
Equipment	225,243.62	215,638	237,413	14,715	252,128	9,515	247,789
Total Agency Costs	\$663,576.74	\$693,333	\$722,191	\$27,529	\$749,720	\$24,971	\$749,090
General Fund	663,576.74	693,333	722,191	27,529	749,720	24,971	749,090
Total Funding Costs	\$663,576.74	\$693,333	\$722,191	\$27,529	\$749,720	\$24,971	\$749,090

OVERVIEW

The State Law Library of Montana is maintained and operated for the use of the Supreme Court, members and staff of the Legislature, state officers and employees, members of the bar, and the general public (M.C.A. 22-1-505). The collection of legal and law-related materials includes statutes and court reports for all states and the federal government, as well as federal regulatory and administrative materials. The Library subscribes to over 450 law reviews, as well as bar journals from all states. The rest of the collection is comprised of looseleaf services, treatises, form books, records and briefs, treaties, audio and video tapes, and materials received because of its status as a selective U.S. Government Depository Library.

Services of the Law Library include photocopying articles and mailing books for patrons all over the state, telephone, mail and walk-in reference, online database searching, teaching both manual and computerized legal research, compiling legislative histories, providing interlibrary loan services, and consulting with public and academic libraries. The State Law Library is the only public law library in Montana that provides reference and circulation to anyone in the state.

REVENUES: The Library generates revenues for the General Fund which are estimated to be \$248,000 during FY92 from: 1) managing online database research; 2) videotape rentals; and 3) photocopy fees. Certain expenditures reflect these revenues, such as #2173, #2212, and #3125.

PERFORMANCE INDICATORS

	FY86	FY88	FY90
Books Circulated	4,792	4,879	5,213
Pages Photocopied	35,033	34,150	41,050
New titles purchased	744	475	356
Extensive Reference Requests	572	622	744

INCREASE FROM BASE

<u>ITEM</u>	<u>EXPLANATION</u>	<u>FISCAL 1992</u>	<u>FISCAL 1993</u>
Computer Processing	Increase in usage of reimbursable legal database services.	\$9,948	\$15,948
Consulting & Profess.	Contract expenses for cleaning the law library book collection.	3,250	
Equipment	Books and reference materials and various equipment requests are increased.	14,715	9,515
Other	Net decreases in other operating expenses.	(791)	(898)

DISTRICT COURT OPERATIONS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	36.00	36.00	36.00	.00	36.00	.00	36.00
Personal Services	2,210,596.27	2,334,646	2,372,200	5,000	2,377,200	5,000	2,368,920
Operating Expenses	134,328.84	143,014	142,501	25,164	167,665	22,222	168,638
Equipment	5,796.00	0	0	20,000	20,000	20,000	20,000
Total Agency Costs	\$2,350,721.11	\$2,477,660	\$2,514,701	\$50,164	\$2,564,865	\$47,222	\$2,557,558
General Fund	2,350,721.11	2,477,660	2,514,701	50,164	2,564,865	47,222	2,557,558
Total Funding Costs	\$2,350,721.11	\$2,477,660	\$2,514,701	\$50,164	\$2,564,865	\$47,222	\$2,557,558

OVERVIEW

Program Objective:

The District Court Operations program provides partial funding for Montana's twenty Judicial Districts.

The District Courts of the state are the general jurisdiction trial courts. They have original jurisdiction in all criminal cases amounting to felony and all civil matters and cases at law.

GOALS

Their goal is the speedy administration of justice consistent with the goal of due process of law. In addition, the District Courts have the goal of improving the administration of justice, facilitating disputes, and providing justice in accordance with the mandates of the Montana Constitution and statutory enactments of the Legislature.

PERFORMANCE INDICATORS

CY 85	CY 86	CY 87	CY 88	CY 89
Cases Filed: 32,400	32,785	31,568	27,224	29,431
Cases Closed: 30,036	31,363	30,246	24,633	26,479

INCREASE FROM BASE

<u>ITEM</u>	<u>EXPLANATION</u>	<u>FISCAL 1992</u>	<u>FISCAL 1993</u>
Other Compensation	Increase over base for the payment of retired judges called to sit on cases.	\$5,000	\$5,000
Consulting & Profess.	Increase to allow the Judges Research Group to complete a bench procedures manual.	5,000	-0-
Travel	Increase to assure professional training standards are maintained.	5,290	5,553
Vehicle Lease	The current lease for judicial vehicles will terminate in June, 1993, and will require an additional pay out for some high mileage vehicles.	-0-	6,429
Registration Fees	Training fees for judges is increased on the basis of training 14 judges per year.	8,140	8,140
Other	Increases in other operating categories.	6,734	2,100
Equipment	The increase for personal computers and software is to provide for small district automation.	20,000	20,000

WATER COURT OPERATIONS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended
Full Time Equivalent Employees	11.00	11.00	11.00	12.00	11.00	12.00
Personal Services	316,961.25	327,834	342,806	358,786	342,065	358,012
Operating Expenses	110,859.01	105,231	105,126	101,807	105,365	102,020
Equipment	1,446.92	2,000	2,000	14,500	2,000	13,000
Total Agency Costs	\$429,267.18	\$435,065	\$449,932	\$475,093	\$449,430	\$473,032
State Special Revenue Fund	429,267.18	435,065	449,932	475,093	449,430	473,032
Total Funding Costs	\$429,267.18	\$435,065	\$449,932	\$475,093	\$449,430	\$473,032

OVERVIEW

Program Objective:

To adjudicate the pre-1973 waters of the State of Montana and to expedite the adjudication of existing pre-1973 water rights. The goal is to adjudicate all 85 water basins.

PERFORMANCE INDICATORS

six basins have final decrees and are completely adjudicated; six have preliminary decrees; 33 basins have temporary preliminary decrees.

INCREASE FROM BASE

<u>ITEM</u>	<u>EXPLANATION</u>	<u>FISCAL 1992</u>	<u>FISCAL 1993</u>
Personal Serv.	The 1.00 FTE increase is for a clerical position in response to increased cases and in lieu of significant overtime and contract services expenses.	\$15,154	\$15,120
Equipment	Personal computer equipment and software in order to integrate with the agency network system and software.	12,500	11,000

CLERK OF COURT

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended	
Full Time Equivalent Employees	.00	.00	4.00	.00	4.00	.00	4.00
Personal Services	0.00	0	129,863	204	130,067	201	129,762
Operating Expenses	0.00	0	23,611	6,654	30,265	6,653	30,274
Equipment	0.00	0	0	0	0	2,000	2,000
Total Agency Costs	\$0.00	\$0	\$153,474	\$6,858	\$160,332	\$8,854	\$162,036
General Fund	0.00	0	153,474	6,858	160,332	8,854	162,036
Total Funding Costs	\$0.00	\$0	\$153,474	\$6,858	\$160,332	\$8,854	\$162,036

OVERVIEW

It is the mission of the Supreme Court Clerk's Office to provide a variety of services to the Supreme Court, the legal community and the public. The office plays an integral role in Supreme Court appeals, by processing all documents relative to appeals and writs of supervisory control. The Clerk is also charged with maintaining all legal records of the Supreme Court, assists in administration of the Montana Bar Examination, collects the Montana Attorney License Tax and maintains the roll of Montana attorneys.

The office consists of the Clerk of the Supreme Court who is elected on a partisan ballot to a six-year term. The clerk manages a staff of three, which consists of a deputy clerk and two assistant clerks.

AUTHORIZATION

The Office Of the Clerk of the Supreme Court is provided for in Section 3-2-401, MCA. Section 3-2-402 defines the Clerk's duties.

PERFORMANCE INDICATORS

	CY 88	CY 89	CY 90 (estimated)
Cases Filed	628	633	651
Fees and Taxes Collected	\$110,346	\$93,886	\$136,886

INCREASE FROM BASE

ITEM	EXPLANATION	FISCAL 1992 FISCAL 1993
Photo & Reproduction	An addition to photocopies prepared for use within this office, the clerk is required to provide services to the Court and to boards and commissions.	\$2,122 \$2,122
Postage & Mailing	Mail volume is based upon the return of district court records and the number of documents generated by boards and commissions.	1,467 1,467
Other	Miscellaneous increases in operating expenses.	3,065 3,064
Equipment	An equipment request for the second year of the biennium is included.	-0- 2,000

MONTANA CHIROPRACTIC LEGAL PANEL

MONTANA CHIROPRACTIC LEGAL PANEL

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr Recommended	Base	Incr/Decr Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Operating Expenses						
Total Agency Costs	<u>0.00</u> \$0.00	<u>13,000</u> \$13,000	<u>0</u> \$0	<u>13,000</u> \$13,000	<u>0</u> \$0	<u>13,000</u> \$13,000
State Special Revenue Fund						
Total Funding Costs	<u>0.00</u> \$0.00	<u>13,000</u> \$13,000	<u>0</u> \$0	<u>13,000</u> \$13,000	<u>0</u> \$0	<u>13,000</u> \$13,000
Legal Panel Operations						
Total Program Costs	<u>0.00</u> \$0.00	<u>13,000</u> \$13,000	<u>0</u> \$0	<u>13,000</u> \$13,000	<u>0</u> \$0	<u>13,000</u> \$13,000

MISSION AND GENERAL DESCRIPTION

The Montana Chiropractic Legal Panel was created by the 1989 Legislature and is governed by Title 27, Chapter 12, MCA. The panel was established to prevent filed court actions against chiropractic physicians and their employees for professional liability in situations in which facts do not permit a reasonable inference of malpractice. The statute establishes a hearing process whereby a malpractice claim must be reviewed by the panel before a claimant may file a court action against a chiropractic physician. The panel is a state agency allocated to the Montana Supreme Court for administrative purposes only.

ORGANIZATION

The executive director of the Montana Chiropractic Association appoints the director of the panel, subject to the approval of the Chief

Justice of the Supreme Court. Six panel members are selected to review each case, three of whom are chiropractic physicians licensed under Montana law and residing in Montana, and three of whom are attorneys and members of the state bar.

AUTHORIZATION

Title 27, Chapter 12, MCA.

BASE PROGRAM

The entire budget for the agency consists of contracted services for the compensation of the director, staff, and panel members.

BASE FUNDING

Funding for the panel is provided by annual assessments levied on all chiropractic physicians and accounted for as state special revenue.



Governor's Executive Budget Recommendations 1992-93 Biennium

**Offices of the
Governor
and
Lieutenant Governor**

GOVERNOR'S OFFICE

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GOVERNOR'S OFFICE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	65.20	60.20	59.20	.00	59.20	.00	59.20
Personal Services	1,915,528.42	2,156,663	2,151,617	4,748	2,156,365	2,152,157	2,156,884
Operating Expenses	987,850.09	874,572	822,107	1,005,969	1,828,076	911,273	1,905,615
Equipment	287,474.57	257,796	205,009	3,550	208,559	20,364	19,381
Grants	97,868.00	0	0	0	0	0	0
Total Agency Costs	<u>\$3,288,721.08</u>	<u>\$3,289,031</u>	<u>\$3,178,733</u>	<u>\$1,014,267</u>	<u>\$4,193,000</u>	<u>\$3,083,794</u>	<u>\$4,081,880</u>
General Fund	2,501,608.75	2,717,171	2,654,479	1,004,785	3,659,264	2,559,624	3,548,231
State Special Revenue Fund	397,084.35	110,994	80,395	18	80,413	80,395	80,413
Federal Special Revenue Fund	390,027.98	460,866	443,859	9,464	453,323	443,775	453,236
Total Funding Costs	<u>\$3,288,721.08</u>	<u>\$3,289,031</u>	<u>\$3,178,733</u>	<u>\$1,014,267</u>	<u>\$4,193,000</u>	<u>\$3,083,794</u>	<u>\$4,081,880</u>
Executive Office	955,024.82	1,108,284	1,143,790	990,192	2,133,982	1,147,898	2,138,082
Mansion Maintenance	64,032.97	59,931	58,851	73	58,924	58,826	58,897
Air Transportation	404,992.54	355,093	320,822	324	321,146	169,529	164,434
Office Of Bgdet & Pgm Planning	743,131.96	904,053	825,779	13,566	839,345	876,829	879,647
Northwest Regional Power Act	349,205.33	398,835	403,859	9,464	413,323	403,775	413,236
Lt. Governor	153,762.99	183,956	175,900	224	176,124	176,117	176,340
Citizens Advocate Office	59,078.08	69,720	70,410	116	70,526	71,089	71,205
Mental Dis Board of Visitors	172,481.40	178,560	179,322	308	179,630	179,731	180,039
Statehood Centennial Office	387,010.99	30,599	0	0	0	0	0
Total Program Costs	<u>\$3,288,721.08</u>	<u>\$3,289,031</u>	<u>\$3,178,733</u>	<u>\$1,014,267</u>	<u>\$4,193,000</u>	<u>\$3,083,794</u>	<u>\$4,081,880</u>

MISSION AND GENERAL DESCRIPTION

According to the Constitution of Montana, Article VI, Section 4: "The executive power is vested in the governor who shall see that the laws are faithfully executed. He shall have such other duties as are provided in this constitution and the law."

Other duties provided in the constitution include the supervision of executive branch departments, appointment of department heads, and other officers as provided by law or by the constitution. The governor must submit a balanced budget to the legislature, sign or veto legislation, grant reprieves and pardons, and is commander-in-chief of the militia forces of the state.

The Office of the Lieutenant Governor is also included in the budget for this office.

The Montana Codes Annotated, Section 2-15-103, establishes the policymaking authority and administrative powers of the governor.
Section 2-15-201 MCA establishes the powers and duties of the governor.

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GOVERNOR'S OFFICE

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Full Time Equivalent Employees	65.20	60.20	59.20	.00	59.20	.00
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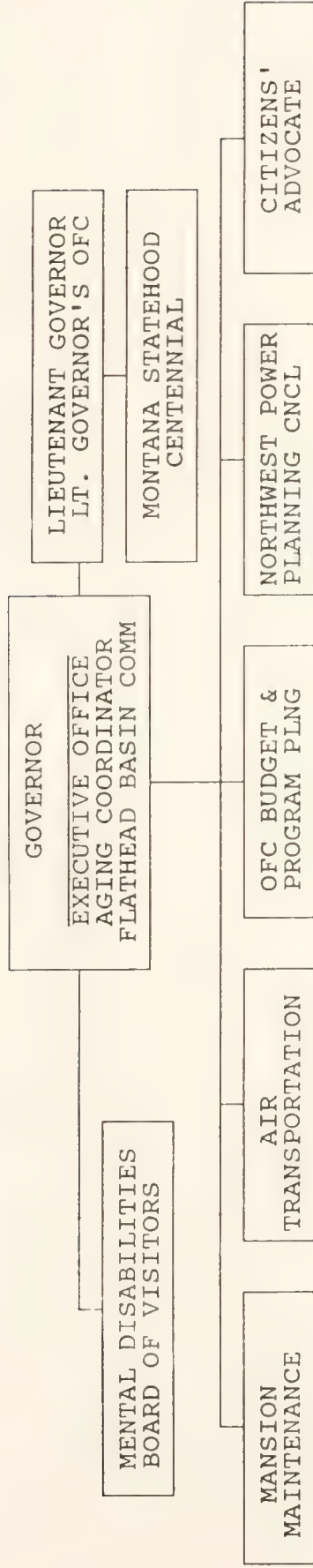
Other duties provided in the constitution include the supervision of executive branch departments, appointment of department heads, and other officers as provided by law or by the constitution. The governor must submit a balanced budget to the legislature, sign or veto legislation, grant reprieves and pardons, and is commander-in-chief of the militia forces of the state.

The Office of the Lieutenant Governor is also included in the budget for this office.

The Montana Codes Annotated, Section 2-15-103, establishes the policymaking authority and administrative powers of the governor.

Section 2-15-201 MCA establishes the powers and duties of the governor.

GOVERNOR'S OFFICE
AGENCY ORGANIZATION



The Office of the Governor consists of the following organizational components:

- The Executive Office consists of the Governor, his personal staff, and senior policy staff. The program also provides centralized services support for all programs in the office.
- Special programs dealing with policy issues also included in the Executive Office are the Governor's Coordinator of Aging, and the Flathead Basin Commission.
- The Executive Residence (Governor's Mansion) budget provides staff, selected maintenance and upkeep of the Governor's official residence.
- The Air Transportation Program, which provides operations for the aircraft assigned to the Governor by the legislature.
- The Office of Budget and Program Planning, responsible for development of the executive budget and for maintenance of the state's appropriation and revenue estimating systems.
- The Northwest Power Planning Council, funded by the Bonneville Power Administration, which is responsible for development of a comprehensive twenty-year electric energy plan to provide an adequate, efficient, and economical power supply to the Pacific Northwest.
- The Office of the Lieutenant Governor.

- The Citizens' Advocate Office, which has a toll-free telephone line to answer citizens' inquiries and resolve complaints dealing with state government.
- The Mental Disabilities Board of Visitors, administratively attached to the Governor's Office, which is responsible for reviewing patient care at Montana's community mental health centers and institutions for the mentally ill and the developmentally disabled.
- The Montana Statehood Centennial Office, which will be disbanded by June 1991.

2. Encourage close cooperation between federal, state, provincial, tribal, and local resource managers.
3. Encourage international cooperation between Montana and British Columbia in natural resource monitoring and use of consistent standards for management of resource development activities in the Basin.
4. Encourage economic development in the Basin without compromising the present high quality of the region's aquatic environment.
5. Undertake investigations of resource utilization and hold public hearings concerning the condition of Flathead Lake and Flathead Basin.
6. Submit a biennial report to the Governor and the Legislature.
7. To meet at least semi-annually within the Flathead Basin.

AUTHORIZATION

Executive Office of the Governor

MT Constitution Establishes the Governor as the chief executive officer of the state.

Article VI, Section 4

2-15-103 MCA Establishes policymaking authority and administrative powers of the governor.

2-15-201 Establishes powers and duties of governor.

Governor's Office on Aging

2-15-231 MCA Governor's Office on Aging. Creates position of Coordinator of Aging and establishes Advisory Council on Aging.

52-3-201 thru Montana Older Americans Act, designation of Area Agencies and 52-3-20 State Office on Aging, on Aging, development of State Plan on Aging.

P.L. 89-73 Federal Older Americans Act. Calls for a State Agency on Aging, for the development of a State Plan on Aging, and specific guidelines for the development of Area Agencies on Aging and service delivery system.

Flathead Basin Commission

75-7-301 thru Flathead Basin Commission Act of 1983
75-7-308 MCA

2-15-213 thru Establishment and Organization of Flathead Basin
2-15-315 MCA Commission and staff.

BASE PROGRAM

Executive Office of the Governor

The Executive Office program provides direct staff support to the Governor. The program provides administrative, legal, press, and centralized services support for Governor's Office programs. The Governor's Office also administers special programs such as coordination of services to senior citizens and preservation of clean water in the Flathead Basin..

Governor's Office on Aging

The Governor's Coordinator of Aging is advised by an Advisory Council on Aging. The Coordinator performs the following duties:

1. Meets with senior citizens and the general public to gather information on the needs of senior citizens and the effectiveness of state programs designed to meet those needs.
2. Serves as the federally designated State Executive on Aging and supervises the employees of the Governor's Office on Aging. This responsibility includes design and implementation of the State Plan on Aging and assessment and evaluation of the state's eleven Area Agencies on Aging.

Flathead Basin Commission

The Basin Commission is the only organization of its type in Montana, and is designed to protect and enhance an area--the Flathead Basin--unmatched by any other area in Montana or the country.

The Commission was expanded in 1989 from 15 members to 21 members, which has generated new enthusiasm and new issues. The Commission now meets every other month, and is well respected by northwest Montana residents.

Of the Commission's \$18,868 FY 1990 State appropriation, the Commission has spent \$12,500 to continue services with the Freshwater Foundation, a non-profit organization which supports research and public discussion of water quality issues.

The Freshwater Foundation, based in Minnesota, has been instrumental in assisting the Commission's public education initiative, has secured grants for Commission projects, has edited and published Commission brochures, and supplies support staff and assistance to Commission Kalispell office.

The Commission has spent about \$1,000 in FY 1990 on staff travel, postage, supplies and other items associated with meetings. With its remaining appropriation this year, the Commission is expected to approve (all financial expenditures must be approved by vote of the Commission) a badly-needed brochure which identifies the Commission's purpose and mission, and explains why the community should support this mission.

With only \$18,868 in State monies, the Commission must prioritize every dollar. We have spent considerable resources this year attempting to procure funding through grant applications, and will continue these efforts.

BASE FUNDING

Executive Office of the Governor

The Governor's Executive Office is funded principally from the General Fund. The Office also receives federal indirect cost reimbursements which offset costs of the centralized services function. The Flathead Basin Commission is funded partially by state special revenue funds.

Governor's Office on Aging

The Governor's Office on Aging is funded entirely from the General Fund.

Flathead Basin Commission

The Commission's base operating budget comes from the state General Fund. Program initiatives rely on funding from a combination of public and private sources.

The Flathead Basin Forest Practices/Water Quality and Fisheries Cooperative Program total operations budget over a three-year period ending fall 1991 is \$257,000. Funding is from the US Forest Service, Plum Creek Timber Company, Montana Department of State Lands, State of Montana Renewable Resource Development Grant, and two EPA pass-through grants directed by the Montana Department of Health and Environmental Sciences. A portion of the above funds will be expended during FY 91 and FY 92. Only a portion of the total goes through the Flathead Basin Commission.

The Master Plan for Water Quality Monitoring consists of direct agency services and consortium funding for Flathead Lake limnology conducted by the University of Montana Flathead Lake Biological Station. Flathead Lake limnology operations budget is \$48,000 per year. Contributors include Montana Department of Health and Environmental Sciences, Confederated Salish and Kootenai Tribes, Montana Power Company, Flathead County, Lake County, and US Bureau of Reclamation. Other participating agency services are not quantified.

The Flathead Basin Commission is seeking \$65,000 from philanthropic foundation sources to enable the Commission's Planning Initiative. Additional local funding is also being sought.

PERFORMANCE INDICATORS

Executive Office of the Governor.

Performance indicators are not applicable to this program.

Governor's Office on Aging.

This is a policy and advisory position and does not lend itself to specific performance indicators. See performance indicators for Aging Programs in the Department of Family Services narratives.

MANSION MAINTENANCE PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr Recommended	----- Base	Fiscal 1993 Incr/Decr Recommended	----- Base
Full Time Equivalent Employees	1.50	1.50	1.50	.00	1.50	.00	1.50
Personal Services	27,053.18	33,075	31,879	73	31,952	71	31,946
Operating Expenses	25,135.07	26,356	26,472	500	26,972	500	26,951
Equipment	11,844.72	500	500	-500	0	-500	0
Total Agency Costs	\$64,032.97	\$59,931	\$58,851	\$73	\$58,924	\$71	\$58,897
General Fund	64,032.97	59,931	58,851	73	58,924	71	58,897
Total Funding Costs	\$64,032.97	\$59,931	\$58,851	\$73	\$58,924	\$71	\$58,897

OVERVIEW

The Mansion Maintenance Program funds the maintenance of the Governor's official residence. Included in the budget are personal services for a housekeeper and a custodial assistant, food and entertainment, telephone, security, and utilities.

GOALS

The goal of the program is efficient maintenance of the executive residence.

AUTHORIZATION

The Mansion Maintenance program has no statutory reference other than general appropriations measures.

BASE PROGRAM

The program should be funded at a level sufficient to adequately protect the state's investment in the residence. This should include developing a replacement schedule for housekeeping items and furnishings, routine cleaning, adequate budgets for consumable supplies, and provision of security systems for the Governor and his family.

BASE FUNDING

The program is funded by the General Fund.

PERFORMANCE INDICATORS

Performance indicators are not applicable to this program.

Fiscal 1990	Fiscal 1991	Fiscal 1992	Fiscal 1993
Actual	Appropriated	Base	Base
		Incr/Deer Recommended	Incr/Deer Recommended
1990	1991	1992	1993

OVERVIEW

GOALS

AUTHORIZATION

BASE PROGRAM

The appropriation funds a pilot, a part-time co-pilot, gas, routine maintenance, major maintenance, and payment on the aircraft through Fiscal Year 1992.

Some maintenance is related to usage: after a certain number of flying hours, certain maintenance must be performed on the plane. Other maintenance is not routine, but must be performed to keep the aircraft serviceable; this maintenance cannot be projected. We rely on bulletins published by Al Conklin and Associates which predict average maintenance costs based on experience of all similar aircraft.

BASE FUNDING

The program is funded by the General Fund.

Performance indicators are not applicable to this program.

Time-Limited Maintenance
Due by Fiscal Year

	<u>FY 92</u>	<u>FY 93</u>
09-01-91		
11-03-91	710	
11-30-91	450	
02-28-93	105	
03-01-93		105
04-01-93		1,050
04-01-93		800
04-01-93		975
04-01-93		1,000
04-01-93		1,550
04-01-93		1,400
04-28-93		1,850
04-30-93		1,900
Total Time-Limited Maintenance	<u>1,265</u>	<u>10,630</u>

Hour-Limited Maintenance
Due by Projected Usage

	<u>FY 92</u>	<u>FY 93</u>
2628		
2628	3,000	
2628	48	
2747	450	
Total Hour-Limited Maintenance	<u>3,498</u>	<u>22,000</u>
		<u>22,000</u>

Other Maintenance

Based on Average Costs of Similar Aircraft per Al Conklin and Associates Publications (Applicable Schedules Attached).

Per Year	<u>34,000</u>	<u>34,000</u>
TOTAL MAINTENANCE	<u>38,763</u>	<u>66,630</u>

---From Al Conklin Associates, Inc. April, 1987, Publication

King Air C-90 Indicated Direct Costs - Per Hour

Fuel at \$1.55/gallon ¹	\$102.30
Maintenance ²	
Labor at \$44.00/hour	\$114.40
Parts - airframe, engines and avionics	56.66
Engine Restoration Costs ²	51.97
Propeller Overhaul	1.58
Miscellaneous Flight Expenses	
Landing and parking Fees	2.20
Crew Expenses	40.00
Small Supplies and Catering	7.00

TOTAL DIRECT COSTS PER HOUR \$376.09

Average Block Speed (mpg)⁴
300-nm trip, chocks to chocks
--includes 10 min. ground time

225

Cost per Statute Mile

\$1.67

For each .05/gl. diff. in fuel cost, adjust per statute mile:

\$0.015

Footnotes:

1. 66 gallons per hour. Source: Pilot's Operating Handbook. If using take-off to touch down times, increase by 14% to 75 gph. However, average speed must also increase by 12% to 252 mph.
2. Maintenance costs are based on a continual review of data available from owner experience, manufacturers and other sources.
3. Source: Airwork, 1987 prices. Includes allowances for HSI, OVH and other charges.
4. Source: Pilot's Operating Handbook. Max. cruise at 24,000 feet. Block speed of 225 mph = 196 knots.

OFFICE OF BUDGET AND PROGRAM PLANNING

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr Recommended	----- Base	Fiscal 1993 Incr/Decr Recommended	----- Base
Full Time Equivalent Employees	20.00	20.00	19.00	.00	19.00	.00	19.00
Personal Services	574,225.80	710,166	690,931	1,604	692,535	1,597	691,629
Operating Expenses	155,355.80	178,151	119,112	8,089	127,201	1,881	172,942
Equipment	13,550.36	15,736	15,736	3,873	19,609	-660	15,076
Total Agency Costs	\$743,131.96	\$904,053	\$825,779	\$13,566	\$839,345	\$2,818	\$879,647
General Fund	743,131.96	904,053	825,779	13,566	839,345	2,818	879,647
Total Funding Costs	\$743,131.96	\$904,053	\$825,779	\$13,566	\$839,345	\$2,818	\$879,647

OVERVIEW

The Office of Budget and Program Planning provides the central point for appropriation control, budget policy development and implementation for state government. The office also reviews and approves organization for the executive branch agencies. OBPP staff provides estimates of state revenue and evaluates budget and tax policies for consideration of the budget director and governor. Additional functions include: approving all FTE (full time equivalent) position changes for all state agencies except the university system and the legislative agencies; maintaining the clearinghouse for all federal funds received by the state; and approval of all changes to operating budgets for most state agencies. The office also serves as the principal planning agency for state government and conducts or coordinates program evaluations for the executive branch.

GOALS

- To implement a budget development system which allows focus on major issues and a careful, informed look at statewide budget priorities.
- To respond quickly, competently, and substantively to directives and initiatives of the governor.
- To produce revenue and tax policy options for consideration of the governor, with thorough analysis of past trends and future impacts.

To establish valid appropriations and provide policy guidance to implement statutes and language governing appropriation authority.

- To oversee day to day management of appropriation and operating budget changes and to manage modifications to the authorized level of FTE (full time equivalent positions) for all state agencies except the university system.
- To improve, direct and oversee the budget development process and to prepare the executive budget recommendation for presentation to the legislature.
- To provide expertise to legislative appropriation committees and to manage the fiscal note process for proposed legislation.

AUTHORIZATION

- 17-1-131 to 17-7-132 General duties of the budget director are defined to include other 17-1-132 MCA duties as the chief budget officer of the state.
- 17-7-101 to 17-7-132 The Budget Act provides that the governor shall appoint a budget director who may employ such other personnel as necessary to carry out the provisions of the act. The act generally prescribes the form, content, and time lines for budget development and pay plan proposal and submission to the legislature.
- 17-7-301, MCA Authority of the governor to allow, following review and examination of the budget director, expenditures in the first

17-7-301, MCA Authority of the governor to allow, following review and examination of the budget director, expenditures in the first year of the biennium from authority provided for the second year of a biennium for an executive branch agency.

17-7-401 to 17-7-405, MCA The budget amendment process to add additional spending authority in federal, proprietary and state special revenue funds gives the governor or his designated representative the certification approval for all agencies except the university system and judicial and legislative branch agencies.

5-12-401, MCA Directs that all budget amendments shall be submitted through the budget director to the legislative finance committee.

2-18-204, MCA Provides that the budget director determine the number of employees in each agency and gives the budget director the authority to amend the number of positions upon request of an agency.

15-24-1702 MCA Directs that the office of budget and program planning consult about impacts to programs with a governing body considering suspending or cancelling delinquent property taxes.

13-27-312 MCA Directs the budget director to prepare fiscal notes for ballotissues.

5-4-201 to 5-4-206, MCA Directs the budget director in cooperation with state and local agencies or officials to prepare fiscal notes on introduced bills having revenue, expenditure or fiscal liability impact on state or local government entities.

BASE PROGRAM

The adjusted base budget for OBPP allows the office to operate throughout the state budget cycle. Several key steps occur during the process. The base budget provides for each of the following activities. In the 1989 biennium, OBPP implemented an automated executive budgeting system, which was the single largest improvement in the budget development process since utilization of the state mainframe computer for budget activity. During the 1991 biennium, steps were taken to improve the budget process by starting the process earlier and using a base developed from appropriation levels approved by the 1989 Legislature. It is anticipated that improvements to the budget process will be an ongoing endeavor of the office.

A significant activity of OBPP is compilation and publication of a wide variety of revenue and expenditure data for the state. OBPP publishes an executive budget recommendation for each legislative session. Following the legislative session, the office also prepares a summary of legislative appropriation activity complete with projected and actual data on state revenues and expenditures. In addition, an array of monthly and annual reports are prepared by OBPP which detail state revenues, expenditures, and state personnel data.

The OBPP budget is cyclical, geared to a large extent toward meeting the information needs of the legislature when it is in session. Publication of the Governor's budget recommendation is only one task. OBPP staff also coordinate and review preparation of fiscal notes for proposed legislation; represent the office in hearings before legislative appropriation committees; monitor legislative appropriation activity; review legislation and occasionally prepare proposed amendments.

During the interim between sessions, OBPP staff have ongoing responsibility for maintaining appropriation control for state agencies. Such activities include: establishing appropriations authorized by the legislature, allocating funds for the pay plan adopted by the legislature, regulating changes to agency operating budgets, preparing management memos to implement appropriation statutes enacted by the legislature, certifying budget amendments, providing expenditure and tax policy analysis for consideration by the governor, managing the changes to FTE levels in state agencies, reviewing and approving changes to the organization of state agencies.

As the principal planning agency for state government, OBPP evaluates and responds to organizational change proposals, program performance, and a wide range of program issues during each biennium. The budget director serves as the primary fiscal and budgetary advisor to the governor.

BASE FUNDING

OBPP is funded entirely by general fund. Part of the costs for the agency are recovered through the statewide cost allocation plan assessment against state special revenue and federal funds that are deposited in the general fund.

Performance Indicators

<u>Tasks</u>	<u>FY'90 Actual</u>	<u>FY'91 Enacted</u>	<u>FY'92 Base</u>	<u>FY'93 Base</u>
Major budget documents issued	1	2	2	
Program/issue evaluations		125	225	125
Major budget directives	15	5	17	5
Budget amendments certified	150	150	150	150
Operating budget changes		800	800	800
Periodic budget reports	70	90	70	90
Fiscal notes/legislative review	25	700	25	700
Project/committee support	5	12	5	12

INCREASES OVER BASE

1. Replacement of a copier machine at a cost of \$4,000 in FY'92 is provided in the OBPP budget.
2. A biennial one-time appropriation of \$10,000 is included for steering committee planning and participation expenses associated with the 1992 national meeting of the National Association of State Budget Officers (NASBO) to be hosted by OBPP in Kalispell. The conference will present environmental, resource management, health, welfare, and other services issues and is expected to involve up to 400 participants, most of whom will represent other states.

NORTHWEST POWER PLANNING COUNCIL

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Deer Recommended	----- Base	Fiscal 1993 Incr/Deer Recommended	----- Base
Full Time Equivalent Employees	6.50	6.50	6.50	.00	6.50	.00	6.50
Personal Services	222,275.56	264,847	269,653	629	270,282	626	269,870
Operating Expenses	123,298.17	132,988	133,206	8,835	142,041	8,835	142,366
Equipment	3,631.60	1,000	1,000	0	1,000	0	1,000
Total Agency Costs	\$349,205.33	\$398,835	\$403,859	\$9,464	\$413,323	\$9,461	\$413,236
Federal Special Revenue Fund	349,205.33	398,835	403,859	9,464	413,323	9,461	413,236
Total Funding Costs	\$349,205.33	\$398,835	\$403,859	\$9,464	\$413,323	\$9,461	\$413,236

OVERVIEW

The Pacific Northwest Electric Power and Conservation Planning Council ("Council") is an interstate entity made up of two members each appointed by the governors of Montana, Idaho, Washington and Oregon. The Council is responsible for planning to meet the electricity needs of the Pacific Northwest, and for developing a program to restore fish and wildlife that have been affected by the region's hydroelectric system.

GOALS

The Council has two major goals:

- 1) Assure that the Pacific Northwest has an adequate supply of electricity at the lowest possible cost; and
- 2) Protect, mitigate and enhance fish and wildlife that have been affected by hydroelectric development in the Columbia River Basin.

AUTHORIZATION

P.L. 96-501 The Pacific Northwest Electric Power Planning and Conservation Act establishes the Council and sets guidelines for the regional power and fish and wildlife planning processes.

90-4-401 MCA Pacific Northwest Electric Power and Conservation Planning Council enables Montana to participate in the Council and provides for the appointment by the Governor of two Montana members.

BASE PROGRAM

In fulfilling the goals established by the Northwest Power Act, the Council has two major objectives: 1) Develop a twenty-year electric energy plan that will provide an adequate, efficient, and economical power supply, and 2) devise a program to protect and rebuild fish and wildlife populations that have been affected by hydroelectric development.

Electric Energy Plan

The Council is required by the Northwest Power Act to review the Energy Plan at least every five years. A major revision of the 1986 Energy Plan is currently underway. The Council is conducting in-depth analyses via a public process to project load growth over the next 20 years, and to develop a portfolio of least cost electric resources to meet that load growth. A new draft Energy Plan is expected to be completed during the summer of 1990. Public hearings in each state will follow, and the Council anticipates adopting a final Plan by January, 1991.

Fish and Wildlife Program

The Council has published three Columbia River Basin Fish and Wildlife Programs, with each subsequent edition adding measures designed to improve survival or increase production of fish and wildlife. The Council is currently at work on developing a systemwide plan for the 31 subbasins that make up the Columbia Basin. The objective of this effort is to produce an integrated approach to doubling the salmon and steelhead runs. The Council is also considering proposals for ways to reverse or lessen the damage to wildlife populations and habitat caused by hydropower projects in the Basin.

BASE FUNDING

This program is funded entirely by federal funds.

PERFORMANCE INDICATORS

Performance indicators are not applicable to this program.

INCREASES OVER BASE

The federal allocation available to the Northwest Power Planning Council has increased from the base year. Indirect costs are increased \$8,800 each year of the biennium to properly reflect indirect cost assessments that were understated in the base.

OFFICE OF THE LIEUTENANT GOVERNOR

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr Recommended	----- Base	Fiscal 1993 Incr/Decr Recommended
Full Time Equivalent Employees	4.00	4.00	4.00	.00	4.00	.00
Personal Services	119,892.72	149,414	139,844	224	139,462	223
Operating Expenses	33,860.27	33,862	35,376	0	35,975	0
Equipment	10.00	680	680	0	680	0
Total Agency Costs	<u>\$153,762.99</u>	<u>\$183,956</u>	<u>\$175,900</u>	<u>\$224</u>	<u>\$176,117</u>	<u>\$223</u>
General Fund	153,762.99	183,956	175,900	224	176,117	223
Total Funding Costs	<u>\$153,762.99</u>	<u>\$183,956</u>	<u>\$175,900</u>	<u>\$224</u>	<u>\$176,117</u>	<u>\$223</u>

OVERVIEW

The Office of the Lieutenant Governor is responsible for performing the duties provided specifically by law, as well as those generally delegated to him by the governor (Article VI, Section 4, of the Montana Constitution). This office is responsible to serve as the liaison between state and local governments, manage and serve as Chairman of the Statehood Centennial Commission, provide support for gubernatorial appointments to boards, councils, and commissions, and serve as agricultural liaison between the executive and the Montana agricultural community.

GOALS

- To chair and monitor, in a timely fashion, and call meetings of the Drought Relief Emergency Council.
- To work with local governments to enhance understanding and cooperation between state and local governments.
- To bring to a satisfactory conclusion the royalty collections, archiving, and all other obligatory facets of the Montana Statehood Centennial Office.
- To support the gubernatorial appointments to boards, councils, and commissions.
- To function in whatever manner necessary to help in addressing the severe financial and educational crises in Montana.
- To perform all duties of the governor's office in the absence of the governor.

AUTHORIZATION

- | | |
|--------------------|--|
| 2-15-301 | To create office of Lieutenant Governor. |
| 2-15-302 Governor. | General delineation of powers and duties of Lieutenant Governor. |
| 2-15-389 | Establishment of Montana Statehood Centennial Commission. |
| 2-89-Part I | Centennial office to administer all centennial activities. |

BASE PROGRAM

The base program of the lieutenant governor, as delineated by the overview and goals, will be accomplished by 4.0 FTE's plus an additional 1.00 FTE to complete all centennial activities for the length of time necessary, not to continue later than June 1, 1991. All centennial staff will be paid for from centennial funds.

BASE FUNDING

This program is funded entirely by general fund. Performance indicators are not

PERFORMANCE INDICATORS

Performance indicators are not applicable to this program.

CITIZENS' ADVOCATE OFFICE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended	
Full Time Equivalent Employees	1.50	1.50	1.50	.00	1.50	.00	1.50
Personal Services	35,553.79	51,851	51,727	116	51,843	116	51,724
Operating Expenses	23,524.29	17,869	18,683	0	18,683	0	19,481
Total Agency Costs	\$59,078.08	\$69,720	\$70,410	\$116	\$70,526	\$116	\$71,205
General Fund	59,078.08	69,720	70,410	116	70,526	116	71,205
Total Funding Costs	\$59,078.08	\$69,720	\$70,410	\$116	\$70,526	\$116	\$71,205

OVERVIEW

The Citizens' Advocate office was created to provide accessibility for citizens of Montana to state government. The office is an information and referral service to identify the right person or program to answer questions and help resolve problems either through referral or direct intervention.

GOALS

- To continue to deal courteously and efficiently with all callers in answering questions and/or resolving problems.
- The office is first-time contact for often irate constituents. The information and referrals given have to be accurate or the credibility of the Governor's Office and state government as a whole could be adversely affected.

AUTHORIZATION

Executive Order Created by Governor Judge in 1973.
C.F.R. 273.12 Code of Federal Regulations mandate a toll-free telephone number be published on federal assistance forms.

BASE PROGRAM

The Citizens' Advocate toll-free number is published on all Area Offices on Aging brochures giving senior citizens, caregivers and personnel the opportunity to call and be transferred to the Governor's Office on Aging.

The Citizens' Advocate toll-free number is published in all statewide telephone directories. The general public has ready access to the office when they are searching for information or have no idea who to ask in obtaining answers to their questions.

Legislators use the toll-free line daily to reach state government officials and agencies.

The Department of Social and Rehabilitation Services publish the toll-free number on applications for food stamps, aid to families with dependent children (AFCD) and Medicaid. The recipients on public assistance call the Citizens' Advocate office with questions or problems concerning eligibility or treatment they received from county Human Service offices statewide. The toll-free number is used in public service announcements by the Low Income Energy Assistance Program for low income individuals to verify if they would be eligible for the program.

Other state agencies have asked if they could publish the toll-free number when a short-term statewide program is available to Montanans. The callers name and telephone number is recorded and passed on to the agency sponsoring the program. An example is the Department of Social and Rehabilitation asked to use the toll-free number on a statewide mailing of 52,000 letters targeted to medicare recipients.

The Citizens' Advocate office is TDD accessible statewide. Hearing impaired individuals can call with questions, comments or problems and the office will act as their liaison with the agency that could best address the questions or concerns.

There is a general misconception that the Citizens' Advocate office is a Better Business Bureau. Consumers use the toll-free line when they want to complain about deceptive businesses or to check on the legitimacy of companies. The callers name and number are taken down and relayed to the Department of Commerce, Consumer Affairs Unit or if the companies are out of state, the telephone number of the Better Business Bureau in that state is given to the caller.

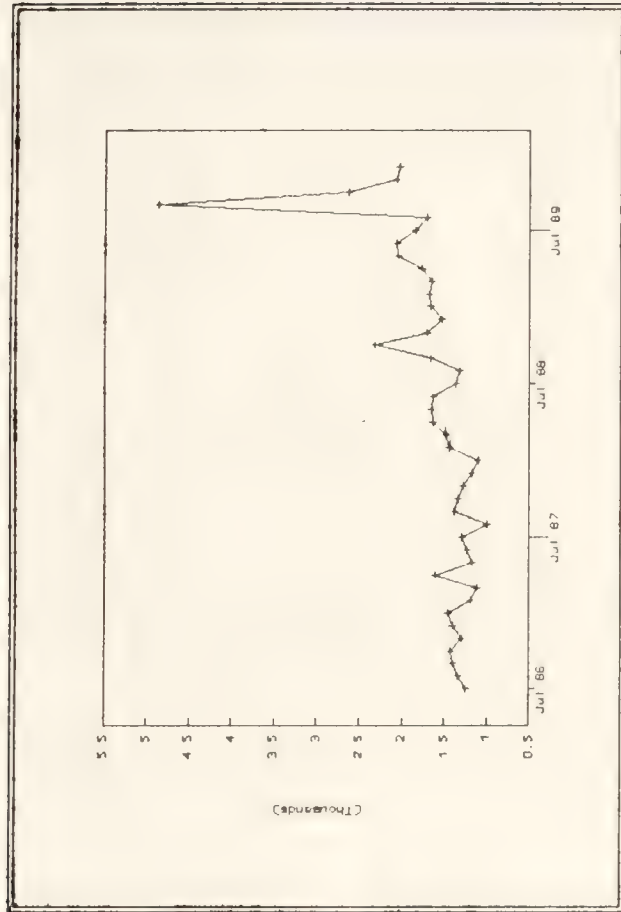
The Citizens' Advocate has limited access to various federal agency and corporate consumer contact telephone numbers if the caller has questions regarding the federal government.

Toll-free calls to the Citizens' Advocate toll-free number have increased about 64% since 1986, when detailed records on calls were first available.

Calls have increased from an average of 1,321 per month for the 12-month period ending June 1987, to 2,170 per month for the 12-month period ending December 1989. The increase is approximately 850 calls per month, or 38 per day.

Month	#Calls	Month	#Calls	Month	#Calls
Jul 86	1,242	Sep 87	1,377	Nov 88	1,713
Aug 86	1,334	Oct 87	1,341	Dec 88	1,531
Sep 86	1,394	Nov 87	1,281	Jan 89	1,664
Oct 86	1,420	Dec 87	1,180	Feb 89	1,684
Nov 86	1,299	Jan 88	1,102	Mar 89	1,649
Dec 86	1,398	Feb 88	1,446	Apr 89	1,772
Jan 87	1,454	Mar 88	1,481	May 89	2,045
Feb 87	1,195	Apr 88	1,637	Jun 89	2,063
Mar 87	1,115	May 88	1,654	Jul 89	1,851
Apr 87	1,611	Jun 88	1,637	Aug 89	1,703
May 87	1,169	Jul 88	1,365	Sep 89	4,868
Jun 87	1,228	Aug 88	1,326	Oct 89	2,629
Jul 87	1,296	Sep 88	1,662	Nov 89	2,073
Aug 87	991	Oct 88	2,316	Dec 89	2,040

The following graph shows the steady increase in calls made to the Citizens' Advocate Toll-Free number from 1986 through 1989.



Citizens' Advocate Toll-Free Line:
Number of Calls from 1986 through 1989.

BASE FUNDING

The Citizens' Advocate program is funded by the General Fund.

Performance Indicators

Based on past trends, the performance indicators for this program will be as follows:

No. Phone Calls Received	FY90	FY91	FY92	FY93
25,850	30,500	35,900	42,000	
1,445	1,700	2,000	2,360	

MENTAL DISABILITIES BOARD OF VISITORS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Deer Recommended	----- Base	Fiscal 1993 Incr/Deer Recommended	----- Base
Full Time Equivalent Employees	4.20	4.20	4.20	.00	4.20	.00	4.20
Personal Services	128,131.83	134,179	135,442	308	135,750	308	135,790
Operating Expenses	40,926.17	43,931	43,430	0	43,430	0	43,799
Equipment	3,423.40	450	450	0	450	0	450
Total Agency Costs	<u>\$172,481.40</u>	<u>\$178,560</u>	<u>\$179,322</u>	<u>\$308</u>	<u>\$179,630</u>	<u>\$308</u>	<u>\$180,039</u>
General Fund	131,658.75	136,529	139,322	308	139,630	308	140,039
Federal Special Revenue Fund	40,822.65	42,031	40,000	0	40,000	0	40,000
Total Funding Costs	<u>\$172,481.40</u>	<u>\$178,560</u>	<u>\$179,322</u>	<u>\$308</u>	<u>\$179,630</u>	<u>\$308</u>	<u>\$180,039</u>

OVERVIEW

The Mental Disabilities Board of Visitors was created to insure humane and decent patient care and treatment are provided at Montana's institutions for the mentally ill and the developmentally disabled, as well as at Montana's community mental health centers.

The standards set forth in Montana's commitment laws for persons who are mentally ill and developmentally disabled, parallel the minimum constitutional standards set forth in *Wyatt v. Stickney*, 1972. This was the first court decision holding that patients committed to state mental institutions have a constitutional right to treatment.

GOALS

1. Review care and treatment of individuals at mental health facilities or residential facilities for developmentally disabled to assure active treatment and compliance with professionally accepted standards.
2. Review and comment on any proposed plans for experimental research at facilities under the Board's purview.
3. Assist any patient at a facility in resolving rights related issues and/or grievances they may have regarding their commitment or treatment.
4. Provide legal counsel for the residents of Montana State Hospital and Montana Developmental Center.

GOVERNOR'S OFFICE

AUTHORIZATION

5. Provide reports to the Governor's Office, the legislature and the Department of Institutions regarding the status of treatment services reviewed; an overview of rights related issues/complaints etc.

53-20-101-165 MCA Developmental Disabilities Act, 1975, requires active treatment and habilitation be individualized to persons with a developmental disability requiring institutional care.

53-21-101-198 MCA Treatment of the Seriously Mentally Ill (Mental Commitment and Treatment Act of 1975) requires individualized treatment for persons with a mental illness.

PPL 99-319 Mental Health Protection and Advocacy Act of 1986 requires investigation of abuse and neglect of mentally ill persons.

BASE PROGRAM

The Board of Visitors is comprised of five members, appointed by the Governor. Comprised of professionals and consumers, they work an average of 2 1/2 to 3 days per month evaluating the State institutions and mental health centers. The Board employs administrative and legal staff and contracts with medical professionals to carry out the responsibilities associated with facility reviews. In addition the Helena staff responds to treatment and rights-related questions for persons receiving services at our state institutions or mental health centers.

The Board of Visitors is required by statute to employ full-time legal counsel at the Montana State Hospital to act on behalf of all patients at the institution. The Legal Services Program of the Board of Visitors fulfills this requirement and assists the Board in performing its statutory functions. The Legal Services Program provides legal assistance for the patients, and serves as an intermediary between patients and hospital personnel in an effort to resolve conflicts through mediation, education and negotiation before resorting to legal action to enforce patients' rights.

Patients may also request legal assistance for problems that are not connected with their commitment. Persons debilitated by a mental disorder often unknowingly, due to the effects of their disability, create legal problems for themselves. When possible, the patients are advised to obtain private legal counsel. The vast majority of these patients, however, have been unable to seek legal counsel from any other source or legal proceedings have been initiated and the patient must file a response to avoid a default judgment.

The legal needs of institutionalized persons are numerous and varied. Unfortunately, in this imperfect world institutionalized persons need legal advocacy just to maintain, and often obtain, the basic rights that the general population takes for granted.

For the past three years the Board has requested an average of \$40,000 federal special revenue fund authority and 1.20 FTE each year of the biennium to administer the federal Protection and Advocacy for Mentally Ill Individuals Act of 1986. Both these positions are located on the Warm Springs Campus. Projects funded by this Act include developing a patient rights manual for consumers, mental health professionals, judges and lawyers, developing a resource material center available to hospital staff and patients and a comparative study and subsequent recommendations to bring the commitment laws of the Indian Courts in compliance with state law.

Basic Program Objectives:

1. To conduct on site reviews and make written reports of Eastmont Human Services Center, Montana Developmental Center, Montana State Hospital, Rivendell facilities and the Center for the Aged by fiscal year 1993.
2. To conduct on site reviews and make written reports of the five community mental health center regions by fiscal year 1993.

3. To assist, respond and resolve consumer requests for assistance, rights related issues and complaints within fifteen days of their receipt (all community mental health centers and state institutions for persons who are developmentally disabled and mentally ill).
4. To prepare written reports for the Governor's Office, the Director of the Department of Institutions and the reviewed facility within ninety days of the on site review.
5. To represent patients at Montana State Hospital and Montana Developmental Center at their initial appearance, ninety day, six month and yearly commitment hearings and other related court appearances during their institutionalization.
6. To prepare monthly written reports for the Governor's Office and the Board members regarding the activities of the Helena and Legal Services offices.
7. To prepare a written report for the 1993 legislature regarding the treatment and conditions of mental health and developmental disabilities facilities.
8. To provide information and referral regarding services, rights and treatment issues at state institutions and community mental health services within three days of request. (Many of these requests come from the Citizen Advocate office and other state agencies.)
9. To complete investigations of abuse and neglect allegations at Montana State Hospital within five days of the notification.
10. To yearly interview every patient and examine his file and records at the state hospital. (Required by the state statutes, this has required implementation of a system to monitor voluntary admissions, and provide for the interview of these patients.)

The following statistics and graph on grievances and rights-related issues are indicative of the Board's continuing advocacy efforts.

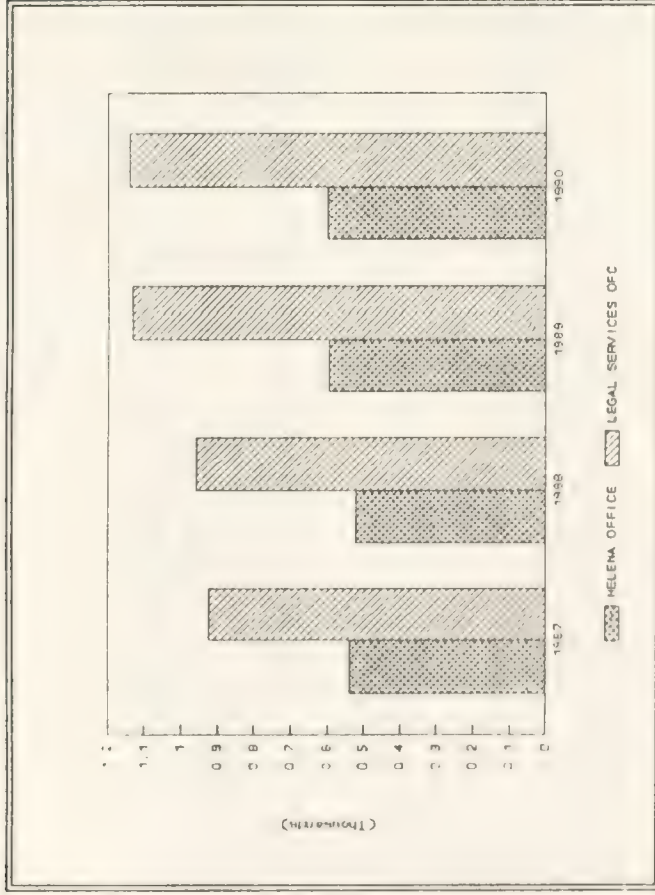
BASE FUNDING

The Helena Office of the Mental Disabilities Board of Visitors and the Legal Services Office (located at Montana State Hospital - Warm Springs) are funded through the General Fund. The Protection and Advocacy Program, which consists of one attorney and a part-time legal secretary, is also housed at Warm Springs and is funded by a contract with Montana Advocacy, Inc., with pass-through federal funds.

Performance Indicators

The following are numbers of grievances and rights-related issues, actual and projected, dealt with by the Board of Visitors:

	FY 90 Actual	FY 91 Enacted	FY 92 Base	FY 93 Base
Helena	600	625	625	625
Warm Springs	1100	1200	1200	1200



Rights/Treatment Related Grievances
Mental Disabilities Board of Visitors
1987 through 1990

RIGHTS / TREATMENT RELATED STATISTICS

HELENA OFFICE	1987	1988	1989	1990
LEGAL SERVICES OFFICE	539	523	594	600
	924	958	1132	1100

MONTANA STATEHOOD CENTENNIAL

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr Recommended	----- Base	Fiscal 1993 Incr/Decr Recommended	----- Base
Full Time Equivalent Employees	5.00	1.00	.00	.00	.00	.00	.00
Personal Services	98,687.19	25,509	0	0	0	0	0
Operating Expenses	186,400.80	5,090	0	0	0	0	0
Equipment	4,055.00	0	0	0	0	0	0
Grants	97,868.00	0	0	0	0	0	0
Total Agency Costs	<u>\$387,010.99</u>	<u>\$30,599</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
State Special Revenue Fund	387,010.99	30,599	0	0	0	0	0
Total Funding Costs	<u>\$387,010.99</u>	<u>\$30,599</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

OVERVIEW

The Statehood Centennial Program was authorized by the legislature to oversee events celebrating Montana's Statehood Centennial. The program is slated to be phased out by the end of Fiscal Year 92.

Office of the Secretary of State
Mike Cooney

Office of the Secretary of State

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SECRETARY OF STATE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	26.00	26.00	26.00	.00	26.00	.00	26.00
Personal Services	557,789.35	626,745	628,831	1,313	630,144	1,310	629,099
Operating Expenses	433,671.45	464,488	473,096	-3,050	470,046	46,847	519,976
Equipment	19,580.00	0	0	10,585	10,585	12,515	12,515
Debt Service	13,178.40	36,242	36,242	-36,242	0	-36,242	0
Total Agency Costs	\$1,024,219.20	\$1,127,475	\$1,138,169	\$-27,394	\$1,110,775	\$24,430	\$1,161,590
General Fund	882,161.29	957,410	962,673	-29,183	933,490	22,543	983,254
State Special Revenue Fund	142,057.91	170,065	175,496	1,789	177,285	1,887	178,336
Total Funding Costs	\$1,024,219.20	\$1,127,475	\$1,138,169	\$-27,394	\$1,110,775	\$24,430	\$1,161,590
Records Management	882,161.29	957,410	962,673	-29,183	933,490	22,543	983,254
Administrative Code	142,057.91	170,065	175,496	1,789	177,285	1,887	178,336
Total Program Costs	\$1,024,219.20	\$1,127,475	\$1,138,169	\$-27,394	\$1,110,775	\$24,430	\$1,161,590

MISSION AND GENERAL DESCRIPTION

It is the mission of the Office of the Secretary of State to maintain a central filing point for business registrations, uniform commercial code financing statements, including agricultural products in accordance with the Federal Food Security Act of 1985, and notary public registrations. The office serves as the central filing and publication source for the Administrative Rules of Montana and the Montana Administrative Register. The Secretary of State serves as Montana's chief election official and is responsible for the application, operation and interpretation of elections laws. The Secretary of State is also responsible for maintaining the official records of the executive branch and the acts of the legislature.

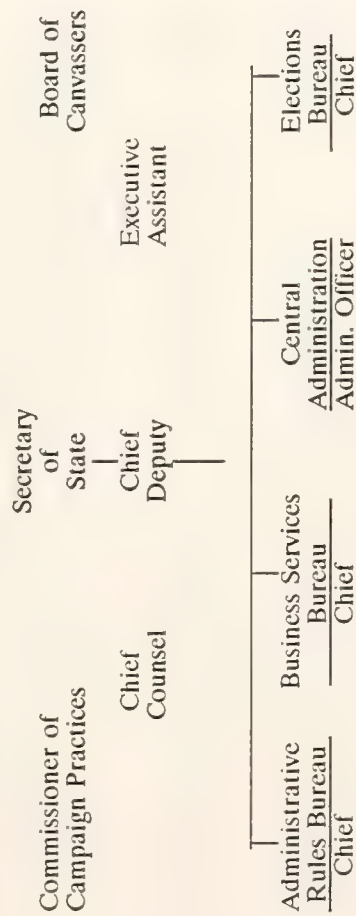
The Office of the Secretary of State was created by the 1889 Constitution, Art. VII § 1. The office was continued and currently exists under the 1972 Constitution, Art VI § 1. The office of the Secretary of State is part of the executive branch of the state government and is headed by an elected official, the Secretary of State.

The internal structure of the office is administered by the Secretary of State through a chief deputy, chief counsel, an executive assistant, a central administration unit and three bureaus: business services, elections, and administrative rules. The agency operating budget is split between two programs: Records Management and Administrative Rules.

In FY89, a contract was entered into with Wang/Seahorse to provide the Office of the Secretary of State an in-house data processing system for UCC documents. This system would have allowed the Secretary of State's office greater flexibility with the management of the UCC documents and resulted in a considerable time savings. An 11.2% decrease in operating expenses would have resulted from the purchase of the in-house computer system. However, the failure of Wang/Seahorse to provide the software and subsequent lawsuit resulted in a substantial financial settlement in favor of the Secretary of State. The office was forced to remain on the state mainframe and upgrade its current Novell local area network computer system to allow for a bridge connection to the mainframe computer. With the ability to "toggle" between two mainframe applications and one PC application, employees of the Business Services Bureau have the ability to enter and access information more quickly and efficiently. The possibility of

the potential failure was brought up during the 1989 legislature and language was written in HB100 allowing the Secretary of State to seek additional appropriation authority by budget amendment. The office successfully cut back costs, and defrayed systems enhancement to prevent the necessity of requesting additional spending authority. These management efficiencies have resulted in a decrease in operating funds for FY90 however, any further cuts would seriously affect the quality of service the office provides.

Agency Organizational Chart



Agency Organization

The programs and functions of the Office of the Secretary of State are carried out through the following major organizational components:
Records Management Program -- The bureaus supervised by this program include the following:

Central Administration Unit -- staff is responsible for the clerical, payroll and fiscal management operations of the agency.

Business Services Bureau -- staff is responsible for the examination and filing of records relating to corporations, limited partnerships, trademarks, assumed business names, uniform commercial code and centralized filings and public access system for security agreements covering agricultural products and property. The bureau collects fees for the processing of documents.

Elections Bureau -- The Elections section administers state election law as it applies to district, state and federal candidates and ballot issues, and provides information and training about election law to election administrators, the public, candidates, officeholders and the press.

The Legislative section receives and assigns chapter law numbers to legislation, prepares the legislative roster and assists in calling the state House to order, polls the legislature on post-session vetoes and calls for a special session, and receives the legislative journals and bills.

The Records and Archives section administers the law dealing with executive acts of the governor and other state agencies. These activities include commissioning notaries public, issuing extradition papers, conducting service of process, commissioning board and advisory council members, and filing proclamations, orders and other executive acts. The section also maintains the archival record of all executive acts, miscellaneous public documents, election records and legislative acts.

Administrative Rules Program -- staff is responsible for the filing, publishing and distribution of the Administrative Rules of Montana developed for the operation of state agencies. The Bureau bills and collects for the pages published in the Montana Administrative Register and for subscriptions to the ARM.

RECORDS MANAGEMENT

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended	
Full Time Equivalent Employees	22.50	22.50	22.50	.00	22.50	.00	22.50
Personal Services	489,433.06	533,919	531,897	1,119	533,016	531,001	532,117
Operating Expenses	362,909.84	388,567	395,852	-4,478	391,374	394,786	440,214
Equipment	18,616.75	0	0	9,100	9,100	0	10,923
Debt Service	11,201.64	34,924	34,924	-34,924	0	34,924	0
Total Agency Costs	\$882,161.29	\$957,410	\$962,673	\$-29,183	\$933,490	\$960,711	\$983,254
General Fund	882,161.29	957,410	962,673	-29,183	933,490	960,711	983,254
Total Funding Costs	\$882,161.29	\$957,410	\$962,673	\$-29,183	\$933,490	\$960,711	\$983,254

OVERVIEW

The Records Management Program is comprised of the Business Services and Elections Bureaus and a central administration unit.

Records Management Program -- The bureaus supervised by this program include the following:

Central Administration Unit -- The accounting staff is responsible for balancing the Pre-Paid Deposit System, a special service offered by the agency to high volume users of services. The agency generates hundreds of dollars in interest for the state from funds paid by users of this system.

Business Services Bureau -- In September, 1989, the Business Services Bureau was formed by combining the Corporations Bureau and the Uniform Commercial Code Bureau. This reorganization was accomplished for several reasons:

- (a) to provide more efficient service to users of both areas;
- (b) to allow for the effective management of workloads in a small office during times of absence and peak workloads;
- (c) to better answer the thousands of calls received monthly by the two areas;
- (d) to better allow for the advancement for employees in the agency.

In order to accomplish the goals of the Business Services Bureau reorganization, several changes were made. An automatic call distributor (ACD) was installed by the Telecommunications Bureau of the Department of Administration to better respond to the thousands of calls received by the Bureau each month. In

the event that the information center staff is busy with other calls, the ACD answers the callers with a recorded message and places them on hold for the Business Services Information Specialists to then aid callers in the order they are received.

The Business Services staff is responsible for the examination and filing of records relating to corporations, limited partnerships, trademarks, assumed business names, uniform commercial code and centralized filings and access system for security agreements covering agricultural products and property. The bureau collects fees for the processing of documents.

Elections Bureau -- The Elections section administers state election law as it applies to district, state and federal candidates and ballot issues, and provides information and training about election law to election administrators, the public, candidates, officeholders and the press.

The Legislative section receives and assigns chapter law numbers to legislation; prepares the legislative roster and assists in calling the state House to order; polls the legislature on post-session vetoes and calls for a special session, and receives the legislative journals and bills.

The Records and Archives section administers the law dealing with executive acts of the governor and other state agencies. These activities include commissioning notaries public; issuing extradition papers; conducting service of process;

commissioning board and advisory council members, and filing proclamations, orders and other executive acts. The section also maintains the archival record of all executive acts, miscellaneous public documents, election records and legislative acts.

GOALS

To comply fully with 2-6-111(5), which states "at least two copies shall be made of all records reproduced as provided for in subsection (2) ["all books, records, parchments, maps and papers kept or deposited in his office pursuant to law"]]. The secretary of state shall place one copy in a fireproof storage place and shall retain the other copy in his office with suitable equipment for displaying a record by projection to not less than its original size and for preparing, for persons entitled thereto, copies of the record."

To comply with the Legislative Auditor's recommendation to deposit all monies received in the state treasury when they are received.

Business Services Bureau

The Business Services Bureau provides important services to the public. In serving Montana, the Business Services Bureau hopes to continue its tradition of handling customer inquiries and submitted filings in a timely, professional manner.

The Business Services Bureau will continue to see that the laws of the state of Montana regarding corporate and uniform commercial code filings are applied in a fair and impartial manner, and will seek alterations to these regulations to cut bureaucratic red tape and make it easier for Montanans to do business.

Further, the Business Services Bureau will seek to maintain the integrity of the public record by seeking approval to create duplicate copies of all corporate records. These documents are crucial public records, invaluable in the conduct of business in the state of Montana, and it is the goal of the Business Services Bureau to make sure that the integrity of these documents is maintained.

The Business Services Bureau believes that too often interaction with a government bureaucracy is perceived as an unpleasant experience. In response to this perception, it is the goal of the Business Services Bureau to continue its development of a friendly, professional service pattern that makes it easy and pleasant to interact with the office of the Secretary of State.

Elections Bureau

The Elections Bureau administers the Secretary of State's constitutional responsibilities as the chief election officer for the State of Montana. In this role, it is the goal of the Elections Bureau to administer every election function with impartiality and professionalism to protect the integrity of the election process. In addition, it is the goal of the Elections Bureau to better facilitate interaction with the public through increased public outreach.

The Elections Bureau will seek to maintain the integrity of the public record by seeking approval to create duplicate copies of all elections and legislative records. These documents are crucial public records and it is the goal of the Elections Bureau to make sure that the integrity of these documents is maintained.

Further, it is the goal of the Elections Bureau to improve the record keeping functions of the bureau as it relates to the appointment of boards and commissions. It is the belief of the Elections Bureau that the prompt retrieval and analysis of this information is in the best interests of the public and seeks to complete development of a computerized data file that will allow easy public access to this important information.

The Election Bureau seeks to continue to provide professional service to the public in the areas of Notary Public filings and legislative information.

BASE PROGRAM

The purpose of the Records Management Program is to provide services efficiently to the general public, candidates for office and other state agency personnel filing documents or requesting information. Objectives for each bureau or work unit are as follows:

Business Services Bureau --

To review for legal compliance 80,000 corporate documents, trade and assumed business name applications per year, with 95% of all documents, exclusive of corporate annual reports, reviewed and filed within one working day of receipt and annual reports filed or rejected within 10 days of receipt.

To review for legal compliance 65,000 uniform commercial code documents and record all financing and continuation statements within one working day of receipt.

To respond to 50,000 requests per year for corporation and UCC information, name searches and document copies.

To ensure broad public access to information filed in the agency by providing monthly reports on liens against farm products to 150 agriculture buyers in compliance with P.L. 99-198.

Utilizing the State Bulletin Board to provide fee schedules and information about services provided by direct computer-to-computer access.

Elections Bureau--

--To provide assistance and training to local election administrators by conducting at least one workshop per year and assisting county election administrators conducting training workshops for election judges.

To ensure that 90% of all polling places except those serving less than 200 electors are accessible to elderly and physically challenged voters in compliance with P.L. 98-435.

To utilize the State Bulletin Board to provide up-to-date information regarding candidate filings and election time lines by direct computer-to-computer access.

AUTHORIZATION

General Administrative Statutory Authority

Art. VI, § 2

The governor, lieutenant governor, secretary of state, attorney general, superintendent of public instruction and auditor shall be elected by the qualified electors at a general election provided by law.

Art. VI, § 4

Duties. The Secretary of State maintains official records of the executive branch and of the acts of the legislature. He shall keep the great seal of Montana.

Art. X, § 4

The governor, superintendent of public instruction, auditor, secretary of state and attorney general constitute the board of land commissioners.

2-6-111

Custody and reproduction of records by secretary of state. (1) The secretary of state is charged with the custody of:

- (a) the enrolled copy of the constitution;
- (b) all the acts and resolutions passed by the legislature;
- (c) the journals of the legislature;
- (d) the great seal;

(e) all books, records, parchments, maps and papers kept or deposited in his office pursuant to law.

(2) All records included in subsection (1) may be kept and reproduced in accordance with rules adopted by the secretary of state in consultation with the state records committee provided for in 2-15-1013.

(4) The secretary of state shall prepare enlarged typed or photographic copies of the records whenever their production is required by law.

(5) At least two copies shall be made of all records reproduced as provided for in subsection (2). The secretary of state shall place one

copy in a fireproof storage place and shall retain the other copy in his office with suitable equipment for displaying a record by projection to not less than its original size and for preparing, for persons entitled thereto, copies of the record.

(6) All duplicates of all records shall be identified and indexed.

2-15-401

Duties of the Secretary of State. In addition to the duties prescribed by the constitution, it is the duty of the Secretary of State to:

- (1) receiving bills and resolutions from the legislature;
- (2) keep a record of and attest the official acts of the governor, including all appointments made by him;
- (3) affix the great seal, to commissions, pardons, and other public instruments to which the official signature of the governor is required;
- (4) record all articles of incorporation filed in his office;
- (5) file receipts for all books distributed by him and direct the county clerk of each county to do the same;
- (6) certify to the governor the names of those persons who have received at any election the highest number of votes for any office, the incumbent of which is commissioned by the governor;
- (7) furnish a certified copy of all or any part of any law, record or other instrument filed, deposited or recorded in his office;
- (8) keep a fee book in which must be entered all fees, commissions, and compensation of whatever nature or kind by him earned, collected or charged;
- (9) file descriptions of seals in use by the different state officials.
- (10) discharge the duties of member of the board of examiners and of the board of land commissioners and all other duties required of him by law;
- (11) register trademarks as provided in Title 30, chapter 13, part 3;
- (12) report to the legislative council all watercourse name changes
- (13) register all applications for pardon or for commutation of any sentence.

2-15-402

- (1) The Secretary of State shall appoint a chief deputy and other deputies.
- (2) Such deputies shall subscribe, take and file the oath of office.

Statutory Authority of the Business Services Bureau

2-6-103

Charge for copies, certified copies, bonds, certificates of records, and other documents.

2-6-206

Protection of essential records. Elected official will designate certain records as essential records, and insure the security of such records "by the most economical means possible," including vaulting, storage at archives, or other methods. Reproduction of records can be done in several media.

15-31-523, 524

Suspension or forfeiture on delinquency. The department of revenue shall notify the Secretary of State's office of corporations delinquent in taxes or the corporation license tax, and the Secretary of State shall suspend and/or dissolve the corporation and indicate so in his records. A corporation so suspended and/or dissolved may apply for a reviver, which the Secretary of State shall file and certify.

15-31-603

List of corporations furnished by secretary of state. The Secretary of State shall provide a list of all corporations to the department of revenue, including name, principal office, name and address of the registered agent, and any other information that the director of the department of revenue may require.

30-9, MCA

Uniform Commercial Code. The Secretary of State files agricultural and commercial liens. Filings shall include financing statements, amendments, continuations, and terminations. Filings must be checked, stamped with the date and time of filing, indexed, and maintained in the Secretary of State's office. Filings may also be made by facsimile transmission, providing the original filing is received within 5

working days.

The Secretary of State shall, upon request, perform a search of financing statements on a particular debtor, and send certification of such a search to the requestor. (30-9-407) Searches may also be done by the requestor's own computer (public access). Also, the secretary of state must comply with 30-9-407(4,5) [farm bill, master list]. Rules concerning central ag security interest computer filing system can be adopted (30-9-421(1)).

The original filing must be retained until it lapses. After that time the Secretary of State must retain a microfilm or other copy of the filing. Filings which have been extended by continuation must be retained so long as the original filing is valid by continuation. [30-9-403(3)].

30-9-403(4). [A] filing officer shall mark each statement with a file number and with the date and hour of filing. The filing officer shall hold the statement or a microfilm or other photographic copy or a copy produced according to rules adopted by the secretary of state for public inspection. In addition, the filing officer shall index the statements according to the name of the debtor and shall note in the index the file number and the address of the debtor given in the statement.

30-9-403(9). Within 1 working day of receipt of a financing or continuation statement, the secretary of state shall record the information contained in the statement on a centralized computer system... The computer system must allow access to financing statement information by any type of communications which conform to standards used by the state central computer. The system must have safeguards to allow only access to UCC data and to prevent alteration, addition, or deletion of the UCC data. The computer must be accessible whenever the state computer system is available. ... The secretary of state shall maintain adequate errors and omissions liability coverage to protect against input errors causing loss to a secured party.

30-9-409. The Secretary of State shall file utility financing statements of transmitting utilities. Records must be retained for 8 years after filings or after lapse.

Assumed Business Names and trademarks are registered with the Secretary of State. Registrants are notified of upcoming expiration dates.

30-13-201, et seq,
and 30-13-301, et
seq, MCA

An original and one copy of articles of incorporation and/or articles of amendment are delivered to the secretary of state. The secretary of state shall file the original in his office, issue a certificate of incorporation and mail with the copy of articles of incorporation to the incorporators. See also 35-1-801 and 35-2-604 - Articles of Merger; 35-1-901 and 35-2-706 et seq. -- Articles of dissolution and statement of intent. Chapter 1 covers profit, Chapter 2 non-profit and Chapter 3 professional service corporations.

35-1-201 et seq.
35-2-201 et seq.
35-4-110

For the purpose of service of any process or demand within 5 years following dissolution, the Secretary of State shall be an agent of the dissolved corporation upon whom service may be made in the manner prescribed in the Montana Rules of Civil Procedures.

35-1-930

A certificate of authority is filed with the Secretary of State along with a certified copy of the articles of incorporation and certificate of good standing from the state of incorporation for foreign corporation doing business in the state of Montana. A certificate is then issued. Amendments, mergers and withdrawals are filed and certificates or acknowledgements are issued. Facsimile filings are same as originals.

35-1-1001 et seq.
35-2-801 et seq.
35-4-411 et seq.

Revocation of certificate of authority is accomplished by notification of defaulting corporations. Notice is sent out and 60 days are allowed for defaulting corporation to comply.

35-1-1019
35-2-818

Annual reports shall be mailed to the registered agent of every corporation authorized to transact business in the state of Montana. The

35-1-1101 et seq.

35-2-901 et seq.
35-4-209

report is mailed out in December or January of each year and must be on forms or in a computerized format prescribed by the Secretary of State. The completed report shall be returned to the Secretary of State between January 1 and April 15.

35-1-1201 et seq.
35-2-1001 et seq.

The Secretary of State shall establish, charge and collect fees for filing documents issuing certificates and miscellaneous charges. The fees shall be established commensurate with costs. Charges for the certified copy of any document, instrument or paper are 50¢ per page and \$2.00 for the certification and affixing the seal. \$5.00 for furnishing certificates not mentioned in this or preceding sections.

35-1-1204

License fees for filing articles of incorporation, amended articles changing the amount of authorized shares, and filing articles of merger shall be at the rate of: 10¢ per share for first 1,000 shares, 8¢ per share for next 1,500 shares, 6¢ per share for next 2,500 shares, 4¢ for next 5,000 shares and 2¢ per share over 10,000 shares with respect of shares having a par value of \$100. In no event shall the license fee be less than \$50.

35-1-1205

License fees for foreign corporations shall be \$50 as an initial fee. Shares are calculated the same as the previous section. This amount is multiplied by a fraction, the numerator is the sum of the value of property and gross receipts of the corporation located in Montana, and the denominator the sum of the value of all its property and gross receipts from its business wherever located.

35-1-1302
35-2-1106

The Secretary of State shall have the duty to notify every corporation three to six months before the date of expiration of its corporate existence by registered or certified letter.

35-1-1304

The Secretary of State shall give written notice if he does not approve the articles of incorporation, amendment, merger or any other document within 10 days of delivery.

35-6-104

On or before April 1, August 1, and September 1, the Secretary of State shall compile a list of defaulting corporations with the amount of any fee due and give notice to those corporations by:

a. mailing a letter to the registered agent and

b. posting a list in the capitol for at least 90 days.

After 90 days following the posting and mailing the Secretary of State shall dissolve all corporations which have not satisfied the requirements and compile a list containing the names of all corporations that have been dissolved. The Secretary of State shall give notice to the dissolved corporations.

35-6-201 et seq.
35-2-1201

The Secretary of State may reinstate a corporation if the corporation submits an original and copy of application, any past due annual reports and certificate from the Montana Department of Revenue stating that all taxes have been paid pursuant to Title 15 and a filing fee in amount equal to $\frac{1}{2}$ of the filing and license fees which would be required if the corporation were filing its articles of incorporation.

71-3, MCA

Liens. The Secretary of State files and keeps records of several other types of liens.
71-3-201, et seq. Federal Tax Liens are filed as if they were UCC financing statements.

Farm Laborers' Liens [71-3-401, et seq], Crop Liens for Seed or Grain and Liens for Hail Insurance [71-3-701, et seq], Threshers' Liens [71-3-801, et seq], Crop or Grain Liens for Spraying or Dusting [71-3-901, et seq], Labor and Material Liens on Oil and Gas Wells and Pipelines [71-3-1001 and 82-11-164, et seq.], and Judgment Liens [71-3-1504] are filed with the Secretary of State, on the computer system mentioned in 30-9-403, in compliance with 71-3-125, Filing of agricultural lien statements. Some other liens are filed with the Secretary of State as informational filings.

Elections Statutory Authority

2-15-401, 2-6-103, 2-6-111, 5-2-212, 13-1-204, 13-1-202, 13-12-101, 13-27-504

Provide information, maps, canvasses, constitutions and copy work upon request.

Article III, sections 4 and 5.

Initiative and referenda must be filed with the secretary of state.

Article XIV, sections 2 and 9

Initiatives for a constitutional convention or constitutional amendments shall be filed with the secretary of state.

2-15-401

Duties of secretary of state. In addition to the duties prescribed by the constitution, it is the duty of the secretary of state to: (6) certify to the governor the names of those persons who have received at any election the highest number of votes for any office, the incumbent of which is commissioned by the Governor.

2-16-502

Resignations. Resignations of officeholders are made to and kept by the secretary of state in the absence of the legislature or if not otherwise specified.

2-16-615

Filing of recall petitions. Recall petitions for district and statewide officials are filed with the secretary of state.

13-1-121

Question of holding constitutional convention. The secretary of state shall place the question of holding a constitutional convention on the 1990 general election ballot.

13-1-201

Chief election officer. The secretary of state is the chief election officer of this state, and it is his responsibility to obtain and maintain uniformity in the application, operation, and interpretation of the election laws other than those in chapters 35, 36, or 37 of this title.

13-1-202

Forms and rules prescribed by chief election officer. (1) In carrying out his responsibilities under 13-1-201, the secretary of state shall prepare and deliver to the election administrators:

(a) written directives and instructions relating to and based on the election laws;

(b) sample copies of prescribed and suggested forms; and

(c) advisory opinions on the effect of election laws other than those laws in chapters 35, 36, or 37 of this title.

(2) The secretary of state may prescribe the design of any election form required by law. He must seek the advice of election administrators and printers in designing the required forms.

(3) Each election administrator shall comply with the directives and instructions and shall provide election forms prepared as prescribed.

13-1-203

Chief election officer to advise, assist, and train. The secretary of state shall advise and assist election administrators with regard to application, operation, and interpretation of Title 13, except for chapters 35, 36, or 37. He shall hold at least one workshop each year to provide training and assistance to election administrators. Election administrators shall be reimbursed, from funds appropriated to the secretary of state, for their mileage and expenses for attending the workshops at the rates set for mileage and expenses in 2-18-501 through 2-18-503. At the discretion of the secretary of state and within the budget limits allowed for workshops, such workshops may be held in several sessions at separate locations in the state.

13-1-204

Election records to be kept by secretary of state. (1) The secretary of state shall maintain current and accurate records including:

- (a) a list of all precincts in each county;
- (b) a map showing the boundaries of all precincts in each county;
- (c) a count of the number of registered voters in each precinct for the latest general election;
- (d) a list of legislative districts, judicial districts, and any multicounty election districts, showing the precinct numbers of each county contained in each district and the number of registered voters in each district for the latest general election;
- (e) a count of votes cast at the latest general election by precinct and by legislative, judicial, and multicounty districts. (2) Each election administrator shall provide the information and map for the record required in subsection (1) in the form and at the time prescribed by the secretary of state.
- (3) The records required in subsection (1) and all records in the secretary of state's office pertaining to elections shall be open for public inspection during normal office hours.

13-1-121

Question of holding constitutional convention. Unless otherwise submitted earlier, the secretary of state shall cause the question of holding an unlimited constitutional convention to be submitted to the people at the general election in 1990.

13-1-303

- (2) The secretary of state, in consultation with the state records committee, shall prepare a suggested plan for retention and destruction of all other election records. Each election administrator shall prepare a plan for retention and destruction of election records in the county and shall submit it to the secretary of state for approval. After approval of such a plan, records may be destroyed as provided in the plan.

13-3-203

Duty of secretary of state -- rulemaking. (1) Except as provided in 13-3-204, the secretary of state shall assure that all polling places are accessible to handicapped and elderly electors on election day.

- (2) The secretary of state shall adopt rules to establish standards that a polling place must meet in order to be designated accessible under this part.
- (3) The secretary of state may adopt any other rules necessary for implementation of this part.

13-4-203

Instruction of judges -- training materials. The secretary of state shall prepare and distribute training materials for election judges. The materials shall include instructions on the use of all machines or devices approved for use in this state, as well as paper ballots. Enough copies of the materials to supply all election judges in the county and provide a small extra supply shall be sent to each election administrator. The secretary of state shall hold at least one workshop every 2 years to instruct election administrators and their staffs in use of the materials. Workshops may be held in various locations around the state. Costs of the materials and workshops shall be paid by the secretary of state.

13-10-201

Declaration for nomination. (1) Each candidate in the primary election, except nonpartisan candidates filing under the provisions of chapter 14, shall send a declaration for nomination to the secretary of state or election administrator. Each candidate for governor shall send a joint declaration for nomination with a candidate for lieutenant governor.

- (2) A declaration for nomination shall be filed in the office of:

- (a) the secretary of state for a congressional office, state or district office to be voted for in more than one county, member of the legislature, or judge of the district court;

- (5) The declaration for nomination shall be in the form and contain the information prescribed by the secretary of state. The secretary of state and election administrator shall furnish declaration for nomination forms to individuals requesting them.

13-10-204

Write-in nominations. An individual nominated by having his name written in on the primary ballot and desiring to accept the nomination may not have his name printed on the general election ballot unless he:

- (1) files with the secretary of state or election administrator no later than 10 days after the official canvass, a written declaration indicating his acceptance of the nomination;

- 13-10-208 Certificate of primary ballot -- printing ballot. (1) Not more than 75 days and not less than 67 days before the date of the primary election, the secretary of state shall certify to the election administrators the names and designations of candidates, except as provided in 13-37-126, and any ballot issues as shown in the official records of his office in the manner provided in 13-10-209 and chapter 12, part 2, of this title.
- 13-10-209 Arrangement of ballots. It is not necessary to print a primary ballot for a political party which does not have candidates for more than half of the offices on the ballot in even-year elections if no more than one candidate files for nomination by that party for any of the offices on the ballot. The secretary of state shall certify that no primary election is necessary for that party if such is the case and shall certify or instruct the election administrator to certify the names of the candidates for that party for the general election ballot only.
- 13-10-211 The secretary of state shall notify each election administrator of the names of write-in candidates who have filed a declaration of intent with his office. Each election administrator and school district clerk shall notify the election judges in their county or district of the names of write-in candidates who have filed a declaration of intent.
- 13-10-405 Submission and verification of petition. Petitions of nomination for the presidential preference primary election must be presented to the election administrator of the county in which the signatures are gathered. The election administrator must verify the signatures in the manner prescribed in 13-27-303 through 13-27-308 and must forward the petitions to the secretary of state. The petitions must be submitted to the election administrator before the filing deadline established in 13-10-201(6). No filing fee is required.
- 13-12-101 Copies of election laws to be furnished. (1) The secretary of state shall furnish to each election administrator copies of this title sufficient to provide each election precinct in his county with two copies and to provide a small extra supply for the administrator.
- (2) The secretary of state shall, at the expense of the state, furnish the election administrator with copies of the election laws relating to penalties, campaign practices, campaign finances, and contested elections. The public official with whom a candidate files a declaration, petition, or acceptance of nomination shall transmit one copy to the candidate. A copy shall also be furnished to any other person required to file a statement. Upon his own information or at the written request of any elector, the secretary of state shall provide a copy to any other individual who is a candidate or who is required to make a statement required by this title.
- 13-12-201 Secretary of state to certify ballot. (1) Seventy-five days or more before an election, except as provided in 13-10-208, the secretary of state shall certify to the election administrators the name and party or other designation of each candidate entitled to appear on the ballot and ballot issues as shown in the official records of his office, which must include the notification specified in 13-37-126.
- 13-15-502 Composition and meeting of board of state canvassers. Within 20 days after the election, or sooner if the returns are all received, the state auditor, superintendent of public instruction, and attorney general shall meet as a board of state canvassers in the office of the secretary of state and determine the vote. The secretary of state shall serve as secretary of the board, keep minutes of the meeting of the board, and file them in the official records of his office.
- 13-15-506 Report of the canvass. (1) The secretary of the board shall prepare and file in the official records of his office a report of the canvass which lists:
- (a) the total number of electors voting in each county and in each legislative house district and the total in the state;
 - (b) the name of each individual receiving votes and the office for which the votes were received;
 - (c) the number and title of each ballot issue; and
 - (d) the votes by county and legislative house district and the total votes for each individual and for and against each ballot issue.
- (2) Write-in votes for an individual shall be entered in the report in the same place as votes of other individuals for the same office but shall be identified as write-in votes.
- 13-17-101 Secretary of state to approve voting machines and devices. (1) Before any voting machine or device can be used for any election in this state,

the secretary of state shall:

- (a) examine the machine or device to determine if it complies with the requirements of this chapter;
 - (b) within 30 days after examining a machine or device, file a report of the examination in his office;
 - (c) include in the report the reasons for approval or disapproval of the use of the machine or device and his opinion of the economic and procedural impact of the use of the machine or device by the various classes of counties of this state; and
 - (d) within 5 days after filing the report, transmit to the election administrator of each county a copy of the report.
- (2) Voting machines and devices may not be used unless approved by the secretary of state 60 days or more prior to the election at which they will be used.

13-17-102

Use of qualified technicians and advisors. (1) The secretary of state may employ and compensate qualified technicians and advisors who are electors of this state to assist him in duties required by 13-17-101. Advisors who are public officers or employees shall serve without additional compensation other than expenses of attending the examination if the examination takes place during their regular working hours.

- (2) The person or company submitting a machine or device for examination shall pay the compensation and expenses of technicians and advisors connected with the examination to the secretary of state for deposit in the state general fund. The secretary of state and the person or company shall reach agreement on the number of technicians and advisors to be compensated before the examination is held.

13-19-105

Role of secretary of state. In addition to other powers and duties conveyed by law, the secretary of state, with advice from election administrators, shall:

- (1) prescribe the form of materials to be used in the conduct of mail ballot elections;
- (2) review written plans for the conduct of mail ballot elections as provided in 13-19-205; and
- (3) adopt rules consistent with this chapter to:
 - (a) establish and maintain uniformity in the conduct of mail ballot elections; and
 - (b) establish procedures for the conduct of mail ballot elections that:
 - (i) prevent fraud;
 - (ii) ensure the accurate handling and canvassing of mail ballots; and
 - (iii) ensure that the secrecy of voted ballots is maintained.

13-25-103

Returns -- lists of electors elected. (1) The votes for candidates for president and vice president shall be given, received, returned, and canvassed as the votes are given, returned, and canvassed for candidates for congress.

- (2) The secretary of state shall prepare three lists of names of electors elected and affix the seal of the state to the lists. (3) The lists shall be signed by the governor and secretary of state and delivered by the latter to the college of electors at the hour of their meeting.

13-25-106

Compensation of electors. Electors shall receive the same pay and mileage allowed members of the legislature. Payments shall be certified by the secretary of state and paid by the state auditor from the state general fund.

13-27-202

Recommendations -- approval of form required. The legislative council shall furnish a copy of the correspondence provided for in subsection (1) to the secretary of state, who shall make a copy thereof available to any person upon request.

- (3) Before a petition may be circulated for signatures, a sample sheet containing the text of the proposed measure must be submitted to the secretary of state in the form in which it will be circulated. The sample petition may not be submitted to the secretary of state more than 1 year prior to the final date for filing the signed petition with the secretary of state. The secretary of state shall refer a copy of the petition sheet to the attorney general for his approval. The secretary of state and attorney general must each review the petition for sufficiency as to form and approve or reject the form of the petition, stating the reasons for rejection, if any.

- (4) The secretary of state shall review the comments and statements of the attorney general received pursuant to 13-27-312 and make

a final decision as to the approval or rejection of the form of the petition. The secretary of state shall send written notice to the person who submitted the petition sheet of the approval within 28 days after submission of the petition sheet. The secretary of state shall send written notice if the petition has been rejected, together with reasons for rejection, within 14 days after submission of the petition sheet.

13-27-203

Numbering of petitions. The secretary of state shall serially number all submitted petitions that are approved as to form continuously from year to year. The numbering system shall distinguish the different types of petitions received and include provisions for numbering measures referred to the people by the legislature.

13-27-307

Consideration and tabulation of signatures by secretary of state. (1) The secretary of state shall consider and tabulate only such signatures on petitions as are certified by the proper county official, and each such certificate is prima facie evidence of the facts stated therein. However, the secretary of state may consider and tabulate any signature not certified by the county official that is certified by a notary public of the county in which the signer resides to be the genuine signature of an elector legally qualified to sign the petition.

13-27-308

Certification of petition to governor. When sheets or sections of a petition for referendum, initiative, constitutional convention, or constitutional amendment containing a sufficient number of signatures have been filed with the secretary of state within the time required by the constitution or by law, he shall immediately certify to the governor that the completed petition has been officially filed.

13-27-310

Transmittal of issues referred by the legislature and ballot forms to the attorney general. (1) The secretary of state shall transmit a copy of the form in which a ballot issue proposed by petition will appear on the ballot to the attorney general on the same day the completed petition is certified to the governor.

(2) The secretary of state shall transmit a copy of an act referred to the people or a constitutional amendment proposed by the legislature and a copy of the form in which the issue will appear on the ballot to the attorney general no later than 6 months before the election at which the issue will be voted on by the people.

(3) If the ballot form is not approved by the attorney general pursuant to 13-27-313, the secretary of state shall immediately submit a new ballot form to the attorney general.

13-27-311

Publication of proposed constitutional amendments. (1) If a proposed constitutional amendment or amendments are submitted to the people, the secretary of state shall have the proposed amendment or amendments published in full twice each month for 2 months previous to the election at which they are to be voted upon by the people, in not less than one newspaper of general circulation in each county.

(2) The secretary of state may arrange for newspaper, radio, or television publication of proposed constitutional amendments in each county. A summary of the amendment as provided by the attorney general, as described in 13-27-312 or 13-27-315, would suffice for the publication required by this section and should be made at least twice each month for 2 months previous to the election.

13-27-316

Court review of attorney general statements. Notice shall be served upon the secretary of state and upon the attorney general. The action takes precedence over other cases and matters in the district court. The court shall examine the proposed measure and the challenged statement and shall as soon as possible render a decision and certify to the secretary of state a statement which the court determines will meet the requirements of 13-27-312.

(b) A statement certified by the court shall be placed on the petition for circulation and on the official ballot.

(4) A copy of the petition in final form must be filed in the office of the secretary of state by the proponents.

13-27-401

Voter information pamphlet. (1) The secretary of state shall prepare for printing a voter information pamphlet containing the following information for each ballot issue to be voted on at an election, as applicable:

(a) ballot title, fiscal statement if applicable, and complete text of the issue;

(b) the form in which the issue will appear on the ballot;

(c) arguments advocating approval and rejection of the issue; and

(d) rebuttal arguments.

(2) The pamphlet shall also contain a notice advising the recipient where additional copies of the pamphlet may be obtained.

(3) Whenever more than one ballot issue is to be voted on at a single election, the secretary of state may publish a single pamphlet for all of the ballot issues. The secretary of state may arrange the information in the order which seems most appropriate, but the information for all issues in the pamphlet shall be presented in the same order.

13-27-402

Committees to prepare arguments for and against ballot issues. (1) The arguments advocating approval or rejection of the ballot issue and rebuttal arguments shall be submitted to the secretary of state by committees appointed as provided in this section.

13-27-403

Appointment to committee. (2) Appointments to committees advocating approval or rejection of a ballot measure referred to the people by referendum petition or proposed by any type of initiative petition shall be made no later than 30 days after the measure is approved for circulation by the secretary of state. All persons responsible for appointing members to the committee shall submit to the secretary of state the names and addresses of the appointees no later than the date set by this subsection. Such submission must include the written acceptance of appointment from each appointee required by section 13-27-402(6).

(3) All appointees to a committee pursuant to subsection (1) must be notified by the secretary of state by certified mail, with return receipt requested, no later than 5 days after the deadline set for appointment of committee members, of the deadlines for submission of the committee's arguments.

(4) All appointees to a committee pursuant to subsection (2) must be notified by the secretary of state by certified mail, with return receipt requested, no later than 35 days after the petition has been approved for circulation, of the deadlines for submission of the committee's arguments.

(5) Committees appointed under subsections (2)(b), (4), and (5) of 13-27-402 must be vacated and have no further obligation if the ballot measure for which they were appointed fails to receive sufficient signatures to place it on the ballot. The secretary of state shall notify the committee members of the failure of a ballot measure to receive sufficient signatures no later than 3 days after the filing deadline set in 13-27-104.

13-27-405

Committee expenses. Each committee is entitled to receive funds for the preparation of arguments and expenses of members not to exceed \$100 for a three-member committee and \$200 for a five-member committee. Itemized claims for actual expenses incurred, approved by a majority of the committee, shall be submitted to the secretary of state for payment from funds appropriated for that purpose.

13-27-410

Printing and distribution of voter information pamphlet. (1) The secretary of state shall arrange with the department of administration by requisition for the printing and delivery of a voter information pamphlet for all ballot issues to be submitted to the people at least 90 days before the election at which they will be submitted. The requisition shall include a delivery list providing for shipment of the required number of pamphlets to each county and to the secretary of state. (2) The secretary of state shall estimate the number of copies necessary to furnish one copy to every voter in each county, except that two or more voters with the same mailing address and the same last name may be counted as one voter. The secretary of state shall provide for an extra supply of the pamphlets in determining the number of voter pamphlets to be ordered in the requisition.

13-27-501

Secretary of state to certify ballot form -- abbreviated ballot. (1) The secretary of state shall furnish to the official of each county responsible for preparation and printing of the ballots, at the same time as he certifies the names of the persons who are candidates for offices to be filled at the election, a certified copy of the form in which each ballot issue to be voted on by the people at that election is to appear on the ballot.

13-27-504

Certified copy of approved issues to be sent to legislative council.

Records and Archives Statutory Authority

Article VI, section 4, and 2-15-122, 2-15-401, 2-16-204, 3-5-201, and 5-5-303
Executive Record. Accept and keep records of the executive acts and appointments of the Governor and state agencies. Provide commissions and oaths of office to appointees. Provide information on board status on request of public or agency representatives. Accept and maintain record of executive clemency.

2-6-103, 35-1-1201, 35-1-1203 and 35-2-1001
Service of Process. Receive complete service and filing fee for each defendant from clerk of court and to serve the defendants. Keep records and return results to clerk of court and attorney.

1-11-302 1-11-304, 2-60-103, 7-11-107, 7-13-2509, 10-3-1107, 35-1-1201, 35-1-1203 and 35-2-1001
Miscellaneous Records. Accept and file the Montana Code Annotated (also obtain copyright for MCA), Law Enforcement Agreements, State Tribal Agreements, Public Printers' Affidavits, Interlocal Agreements, Water and Sewer Districts and TV Districts. Collect fee if required.

Article VI, section 4, and 2-15-401, 2-6-103
Maintain the Great Seal and attach the Great Seal to records.

3-1-202 and -203
File the Seals of the Supreme Court and the District Court.

Notary Statutory Authority

2-6-103(d)
For each commission or other document signed by the Governor and attested by the Secretary of State (pardon, military commissions, and extraditions excepted), \$5.

2-15-401
Affix the great seal, with attestation of the Secretary of State to commissions, pardons and other instruments which has been signed by Governor.

46-30-301
Application for issuance of requisition. Copies of application for Requisition, Warrant and Waivers are processed and filed in the office of the Secretary of State to remain a permanent record in that office. Extraditions are issued with gold seal on forms prescribed and provided by the Secretary of State.

BASE FUNDING

The Records Management Program is funded entirely from fees collected for the filing and processing of documents. The fees are recorded on fee sheets and deposited directly into the general fund.

Performance Indicators

	FY90 Actual # doc.	FY90 Actual Hours	FY91 Enacted Hours	FY92 Base Hours	FY93 Base Hours
Administration	6.5 FTE	5,587.8	5,699.6	5,813.6	5,929.9
Clerical Hours					
Reception/Phone	17,940	598.0	610.0	622.2	634.6
Typing	16,900	2,816.7	2,873.0	2,930.5	2,989.1
Filing	8,450	704.2	718.3	732.6	747.3
Mail Handling	104,000	1,733.3	1,768.0	1,803.4	1,839.4
SBAS/Payroll Proc		2,080.0	2,121.6	2,164.0	2,207.3
Legal Services	.25 FTE	520.0	530.4	541.0	551.8
Total Administration	6.5	14,040.0	14,320.8	14,607.2	14,899.4
Business Services	10.5 FTE				
Document Examining					
Domestic Corps	55,754	2,714.4	2,768.7	2,824.0	2,880.5
Foreign Corps	16,606	1,346.6	1,373.5	1,401.0	1,429.0
Assumed Bus Names	6,608	533.4	544.1	554.9	566.0
Trademark/names	562	84.5	86.2	87.9	89.7
Bonds	6	0.5	0.5	0.5	0.5
Other (Misc.)	119,179	11,264.1	11,489.4	11,719.2	11,953.6
Certificates	5,796	579.6	591.2	603.0	615.1
UCC/Ag Filings	64,071	7,575.7	7,727.2	7,881.7	8,039.4
Free Service	51,590	321.7	328.1	334.7	341.4
Mail Handling	65,300	1,088.3	1,110.1	1,132.3	1,154.9
Legal Services	.25 FTE	520.0	530.4	541.0	551.8
Total Bus Services	10.75	26,028.8	26,549.3	27,080.3	27,621.9
Elections Bureau	4 FTE				
Document Examining					
Notary Commissions	5,300	1,200.0	1,224.0	1,224.0	1,248.5
Elections	5,222	2,896.0	2,180.0	2,953.9	2,223.6
Legislative filings	18,000	344.0	1,060.0	350.9	1,081.2
Executive Record	2,600	2,960.0	2,960.0	3,019.2	3,019.2
Mail Handling	11,700	292.5	298.4	298.4	304.3
Legal Services	.25 FTE	520.0	530.4	530.4	541.0
Total Elections	4.25	8,212.5	8,252.8	8,376.8	8,417.8
Total Records Management	21.50	48,281.3	49,122.9	50,064.3	50,939.1

INCREASES/DECREASES FROM BASE

<u>Item</u>	<u>Explanation</u>	<u>FY 92</u> \$ 7,936	<u>FY 93</u> \$ 57,807
Data Processing	Additional budget authority is needed, for the operation of the UCC system on the mainframe is shown on the modified request, Wang Data Processing Costs. Some of this additional authority has been transferred from other expenditure objects because of the Wang equipment costs included in the base. Examples of this are \$34,924 for debt service and \$15,103 for equipment rent in each fiscal year. We have requested only \$7,936 additional authority in FY92 due to the cyclical nature of the work. The general election, which causes contracted printing and publication expense to raise dramatically, falls only in odd-numbered fiscal years. In FY93 we have requested \$57,807 additional authority for mainframe computer costs.		
Debt Service	<u>See Above</u>	(\$34,924)	(\$34,924)
Equipment Rent	<u>See Above</u>	(\$15,103)	(\$15,103)
Other Expenses	Other increases are reflected in the Workers Compensation rate adjustment and other operating increases over base.	\$ 3,808	\$ 3,840
Equipment	We have also requested authority for the implementation of an equipment replacement schedule. The base has no allocation for any equipment, which would prevent improvements, replacements or upgrades.	\$ 9,100	\$ 10,923

OTHER ISSUES

The Office of the Secretary of State houses original records of all corporations, trademarks, legislative proceedings, bills, executive orders and notary bonds filed since 1896. These documents serve as the only copy. At present, a small incident like fire, water damage or insect damage could result in the loss of these records. Hundreds of requests are received each week for copies of these documents. Handling the documents has resulted in additional damage with the continual copy requests from the public. Older records were printed or handwritten on onion skin paper making them more susceptible to any damage.

A broken pipe on the third floor in the capitol sometime during the 70's resulted in substantial water damage to all corporation and UCC records. The records were dried using any means possible; however, the damage caused papers to tear and rendered the paper brittle. Further damage is caused from copying the records for the public.

The office currently has more than 200,000 corporations, assumed business names, and trademark filings. The Elections Bureau has thousands of pages of election and legislative material. Each year the Business Services Bureau takes in more than 100,000 pages of new information to file into existing records. Our current file or folder rooms for only the Business Services Bureau have shelves 14' (fourteen feet) high. The shelves are very close together, ill lit and must be accessed by a ladder on a daily basis. The possibility of injury in these rooms is high. Needless to say, employees assigned duties in the folder rooms are the first to seek other employment.

The office has now reached its space limit for active files. The 1991 Annual Reports are due to be mailed to 30,000 active corporations at the end of December. ISD's purchase of a new laser printer has enabled us to cut down 1 sheet of paper for the 2-page report by printing the report 2-sided. However, our folder shelves are packed so tight that with the addition of a single sheet of paper hundreds of folders will have to be removed from the shelves.

We have utilized the basement vault area of our office to store the inactive corporate folders. However, the space available in the vault area is limited. We have repeatedly requested additional space from the General Services Division and the Governor's Office to no avail.

During the last legislative session, an attempt was made to allow for the microfilming of the Business Services Bureau records. However, this attempt did not pass through the initial budget process. And, in our Major Budget Issues response of February 5, 1990, we indicated that providing new file shelving for the active records would cost an estimated \$45,000. The installation of this shelving would allow safer and easier access to the record folders and ensure

additional security. However, new shelving would only alleviate the immediate problem of insufficient space, and would not allow for future expansion.

If the documents were microfilmed or placed on some type of electronic storage media we would be in compliance with statutory requirements. It would also allow for faster, easier and more effective retrieval and duplication of the documents. However, electronic storage media or microfilm would bring with it the necessity to increase the current FTE and most importantly the space requirements of the office.

During the budget process of FY90-91 biennium a mod was requested for microfilming of the corporate documents. A study was done in 1987 regarding the feasibility of filming and/or storing the documents on optical disk media. Based on the count of documents done in 1987, it was estimated that a total of 7,700,000 pages would need to be filmed and jacketed. The office receives and files approximately 100,000 pages per year. By processing current filings first, approximately 2 million pages per year could be filmed and processed by 3.0 FTE at Grade 6. At that rate, it would take approximately 4 years for completion of the project.

The office has continued to look at the possibility for other media storage, such as optical disk, etc. Any option for the duplication of these records will require substantial appropriation authority.

The funding source for the possible microfilming would be the general fund, 01100. The following figures are the 1987 costs with an inflation factor included. Also included in the projection of costs was the purchase of additional readers, film storage cabinets, camera, processor and other necessary equipment to maintain the day to day operation.

	1987 Base	FY92 Est.	FY93 Est.
Personal Services	48,360	53,301	53,184
Operating	106,300	112,678	119,439
Equipment	16,100	17,066	4,770
Total	170,760	183,045	177,393

In addition to the costs outlined above, it will be necessary to seek additional office space to house the storage cabinets and equipment. The above figures represent an estimate of only the cost of microfilming the corporate documents in the office. A study has not been regarding the volume of information pertaining to the Elections and Legislative Bureau of the office.

Additional FTE request

The office has also requested the allocation of 1.5 additional FTE for FY92-FY93. One FTE would be responsible for the timely deposit of monies received by the office in the State Treasury. And, we are requesting that one position currently funded at .5 FTE be increased to 1.0 FTE. This position is responsible for the mailing, receipt and filing of annual reports. This request is based on recommendations from the Legislative Auditor. The addition of these FTE would increase funding as follows:

<u>Entity</u>	<u>Program</u>	<u>FY92</u>	<u>FY93</u>
01100	Records Management		
	Salaries	23,300	23,210
	Benefits	3,501	3,524
	Longevity	121	121
	Insurance	1,800	1,800
	Total	28,722	28,655

Potential increase in publication and printing costs

Some of the costs incurred in odd-numbered fiscal years are associated with the state-wide general election in November. The same costs are not incurred in even-numbered years. Examples of these costs are noted in #2190, Contracted Printing, and #2293, Publication Expense. During a General Election year, our office is responsible for publishing the Voter Information Pamphlet that is delivered to every registered voter in Montana, per 13-27-401, MCA. The cost for this publication, which varies depending on the number of pages has been between \$25,000 and \$30,000 in past election years.

The office is also responsible for printing the Constitutional Amendment language in full in a newspaper in each Montana county, per 13-27-311, MCA. The cost, which varies depending on the number of initiatives, has been between \$15,000 and \$25,000. In past years the office chose to publish an abbreviated text of the amendments in the papers resulting in lower costs. However, a Supreme Court ruling charged the office with printing the full text of the amendments in the papers.

In FY91, the cost for printing the ads will run approximately \$20,000. However, we can not use FY91 as a good example for the future. There are only 2 amendments and the Constitutional Convention call being placed before the voters in November, 1990. Looking back on the 1988 election, there were 4 amendments and the ads cost \$28,000. On the average over the years, there have been at least 3-4 amendments placed on the ballot every election.

The cost for printing the ads is set by rule 8-91-303, ARM, through the Board of County Printing. The last change to this rule was in 1983 and there has been talk about raising the rates for the cost of the ads. The current rates have been in effect for several years and the newspapers feel they are outdated. If the rates are raised \$1 for each publication, it could result in double or triple cost to the state. Also in November, we will be voting on whether to hold a Constitutional Convention. The possibility exists to have numerous amendments on the ballot for November, 1992.

Therefore, the amount of additional appropriation authority for the biennium is larger in FY93 than FY92. We have calculated the Voter Information Pamphlet to cost approximately \$30,000 and the ad publication expenses to run about \$36,000.

ADMINISTRATIVE RULES PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	3.50	3.50	3.50	.00	3.50	.00	3.50
Personal Services	68,356.29	92,826	96,934	194	97,128	194	96,982
Operating Expenses	70,761.61	75,921	77,244	1,428	78,672	1,419	79,762
Equipment	963.25	0	0	1,485	1,485	1,592	1,592
Debt Service	1,976.76	1,318	1,318	-1,318	0	-1,318	0
Total Agency Costs	\$142,057.91	\$170,065	\$175,496	\$1,789	\$177,285	\$1,887	\$178,336
State Special Revenue Fund	142,057.91	170,065	175,496	1,789	177,285	1,887	178,336
Total Funding Costs	\$142,057.91	\$170,065	\$175,496	\$1,789	\$177,285	\$1,887	\$178,336

OVERVIEW

The Administrative Rules Bureau is responsible for the maintenance of the official record of Administrative Rules for the state of Montana and for ensuring that agencies promulgating Administrative Rules comply with the Montana Administrative Procedure Act. ARM is responsible for printing and distribution of the Administrative Rules and the Montana Administrative Register.

ARM supervises state agencies submitting draft Administrative Rules for publication and distribution to the Administrative Code Committee.

- ARM approves or rejects Administrative Rules submitted by state agencies after a review for accuracy; completeness; and proper format in accordance with the Montana Administrative

Procedure Act and Title 1 of the ARM.

- Works with state agency staff submitting Administrative Rules to correct deficiencies in format, inconsistencies in text, and incorrect submission dates. Corrects errors or inaccuracies in material that fall within the authority of the Secretary of State.

- Provides state agencies written notification of acceptance of Administrative Rules, notification of format changes, typographical errors.

Compiles, publishes, distributes and maintains the "Montana Administrative Register" (MAR). The MAR is published twice-monthly and is provided to

subscribers in both the public and private sector.

- Each year a schedule must be developed for agency filing dates, compilation of rules and publishing of the MAR.
- Table of contents are developed every two weeks identifying proposed Administrative Rules, adopted Administrative Rules, state Declaratory Rulings, and Montana Attorney General Opinions. The table of contents is also placed on the state Bulletin Board for modem access.
- The MAR is prepared in final format for submission to a printing contractor. This includes preparing a backup copy of rules while they are printed, ensuring all printed copy is complete and accurate, instructions are developed for the printer, and rules are shipped to the printing contractor.
- The "Accumulative Table", a history of Administrative Rule activity is updated every two weeks for publication in the Montana Administrative Register. This table includes the specific Administrative Rule cites and page numbers in the MAR. The "Accumulative Table" provides subscribers a "current status" of ARM.
- Printed material returned from the contractor is reviewed for completeness and accuracy prior to entry into the official record and distribution of the Register to government agencies and private individuals.

Compiles, publishes, distributes, and maintains the ARM. The ARM are published quarterly and are provided to both public agencies and private individuals.

The same process for printing MAR is used for the ARM with the following exceptions:

- a. Each rule must be researched to ensure all rules adopted during the previous quarter are accounted for and are submitted with correct page numbers, effective dates, and action types.
- b. A "topical index" is updated providing a subject access to the ARM.
- c. Updated pages are pulled from the vaulted copies, and are sent to the printers.
- d. Instructions are prepared for subscribers as to removal and insertion of page replacement.

Provides research services and general information to public agencies and private individuals concerning ARM, MAR, Attorney General's Opinions and state Declaratory Rulings.

- a. The bureau serves as an information source for agencies and individuals desiring information concerning data stored by the bureau. Staff research present and historical information to provide requested information to interested parties. Requests include but are not limited to: Existence of Attorney General Opinions, Administrative Rules, Declaratory Rulings, filing dates, dates adopted and effective, general histories of documents etc.

Develops and maintains a cross reference between the Montana Code Annotated and Administrative Rules of Montana.

- a. Researches specific sites and adopted Administrative Rules to develop a cross reference. The cross reference is used by state agencies and bureau staff to research ARM histories etc.

ADMINISTRATIVE RULES STATUTORY AUTHORITY

2-4-302

- (1) Prior to the adoption, amendment or repeal of any rule, an agency shall give written notice of its intended action. The notice shall include a statement of either the terms or substance of the intended action or a description of the subjects and issues involved. The rationale for the action and the time, place and manner in which interested persons may present their views.

- (2) (a) The notice shall be filed with the Secretary of State for publication in the MAR and mailed within 3 days of publication to persons who have made timely requests to the agency for notice of its rulemaking proceedings.

2-4-306

Each agency shall file with the Secretary of State a copy of each rule adopted by it. The Secretary of State may prescribe a format, style and arrangement for notices and rules which are filed and may refuse to accept the filing of any notice or rule that is not in compliance. He shall keep and maintain a permanent register of all notices and rules filed, including superseded and repealed rules, which shall be open to public inspection and shall provide copies of any notice or rule upon request of any person. Unless otherwise provided by statute, the Secretary of State may require the payment of the cost of providing such copies. A temporary or emergency rule is effective immediately upon filings with the Secretary of State or at a stated date following publication in the register.

2-4-311

The Secretary of State shall compile, index, arrange, rearrange, correct errors or inconsistencies without changing the meaning, intent or effect of any rule, and publish all rules filed in the Administrative Rules of Montana (ARM). The Secretary of State shall supplement, revise and publish ARM as often as he considers necessary. ARM shall be arranged, indexed and printed or duplicated in such manner as to permit separate publication of portions relating to individual agencies.

GOALS

The Administrative Rules Bureau seeks to continue its excellent service to state agencies and the public in the publication of the Administrative Rules of Montana and the Montana Administrative Register.

It is the goal of the Administrative Rules Bureau to increase public access to the rule making process through use of the Department of Administration's Public Access Bulletin Board, and other available electronic media.

In addition, it is the goal of the Administrative Rules Bureau to work with state agencies to look into organizational and statutory changes that might reduce cost and/increase efficiency.

2-4-312

The Secretary of State shall publish in the register all notices, rules and interpretations filed with him at least once a month or as directed by the administrative code committee but not more often than twice a month. He shall send the register without charge to each person listed in 2-4-313 below. The register must contain 3 sections, rules section, notice section and interpretation section which contains all opinions of the attorney general and all declaratory rulings of agencies. Each issue must contain the issue number, date and a table of contents. Each page must contain the issue number and date of register.

2-4-313

The secretary of state shall distribute copies of ARM and supplements to revisions to the following:

- (a) attorney general, one copy;
- (b) clerk of United States district court for the district of Montana, one copy;
- (c) clerk of United States court of appeals for the ninth circuit, one copy;
- (d) county commissioners or governing body of each county of this state, at least one but not more than two copies;
- (e) state law library, one copy;
- (f) state historical society, one copy;
- (g) each unit of the Montana university system, one copy;
- (h) law library of the university of Montana, one copy;
- (i) legislative council, two copies;
- (j) library of congress, one copy;
- (k) state library, one copy.

The secretary of state shall maintain a permanent set of the registers. The secretary with the administrative code committee, shall determine the cost of supplying copies of ARM. The cost shall be the approximate cost of publication of such copies including indexing, printing or duplicating and mailing. A uniform price per page may be established without regard to differences in cost of printing different parts of ARM and MAR. The secretary of state may charge agencies a filing fee for all material to be published in the ARM or MAR. He shall fix the fee to cover costs of supplying copies in consultation with the administrative code committee.

BASE PROGRAM

The objectives of the Administrative Rules Program are:

To review, edit and publish approximately 2100 pages of rules promulgated by state agencies annually.

To print and distribute to about 138 paid subscribers copies of the Montana Administrative Register twice monthly and updates to the Administrative Rules of Montana quarterly to 199 paid subscribers.

To provide copies of the Register and ARM updates to approximately 181 public agencies free of charge as set out in state law.

BASE FUNDING

The Administrative Rules Program is funded entirely by fees collected for publication of pages in the Montana Administrative Register and from subscriptions to the Administrative Rules of Montana. The fees collected are deposited in a special revenue fund set forth by statute.

Performance Indicators

	FY90 Actual # document	FY90 Actual Hours	FY91 Enacted Hours	FY92 Base Hours	FY93 Base Hours
Administration	1.75 FTE	1,950.0	1,989.0	2,028.8	2,069.4
Clerical Hours					
Mail Handling In	3,000	250.0	255.0	260.1	265.3
SBAS/Payroll Proc		920.0	938.4	957.2	976.3
Legal Services	.25 FTE	520.0	530.4	541.0	551.8
		3,640.0	3,712.8	3,787.1	3,862.8
Administrative Rules	1.5 FTE				
Document Examining					
Adoptions	749	249.7	254.7	259.8	264.9
Proposals	1,389	694.5	708.4	722.6	737.0
ARM Subscriptions	287	287.0	292.7	298.6	304.6
MAR Subscriptions	231	231.0	235.6	240.3	245.1
Extra Titles	181	362.0	369.2	376.6	384.2
Mail Handling Outgoing	7,500	1,250.0	1,275.0	1,300.5	1,326.5
Admin Rules Bureau	10337	3,074.2	3,135.7	3,198.4	3,262.3
Total Admin Rules Prog	3.50	6,714.2	6,848.5	6,985.4	7,125.1

<u>Increases/Decreases from Base</u>			
<u>Item</u>	<u>Explanation</u>	<u>FY 92</u>	<u>FY 93</u>
Operating Expenses	Increases are reflected in gasoline and other operating expenses over base.	\$ 1,428	\$ 1,419
Equipment	We have requested authority for the implementation of an equipment replacement schedule. The base has no allocation for any equipment, which would prevent improvements, replacements or upgrades.	\$ 1,485	\$ 1,592
Debt Service	The base has been decreased by in Debt Service because the computer system purchased in FY89 will be paid for in FY91.	(\$1,318)	(\$1,318)

OTHER ISSUES

Additional FTE request -- The office has requested the allocation of .5 additional FTE for FY92-FY93. We are requesting that that the position currently funded at .5 FTE be increased to 1.0 FTE. This position is responsible for the review, publication and distribution of rules. This request is based on recommendations from the Legislative Auditor. The addition of this FTE would increase funding as follows:

<u>Entity</u>	<u>Program</u>	<u>FY92</u>	<u>FY93</u>
02400	Administrative Rules		
	Salaries	8,841	8,806
	Benefits	1,340	1,356
	Longevity	121	173
	Insurance		
	Total	<u>10,302</u>	<u>10,335</u>

The office is anticipating a large increase in the number of rules (approximately

700 pages) to be published due to the proposed creation of the Department of Transportation and the proposed partial merging of State Lands, the Department of Health and the Department of Natural Resources and Conservation. Additional staff will be required to ensure the timely publication of rules.

This office will not collect any revenue for the publication of these rules because they have already been published in the Montana Administrative Register. The costs of reviewing, publishing and distributing will be absorbed by our office.

COMMISSIONER
OF
POLITICAL PRACTICES

COMMISSIONER OF POLITICAL PRACTICES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	3.00	3.00	3.00	.00	3.00	.00	3.00
Personal Services	81,047.83	85,062	85,242	1,344	86,586	744	85,792
Operating Expenses	23,377.08	29,077	25,515	-64	25,451	-1,520	27,496
Equipment	1,686.21	0	500	1,108	1,608	1,608	2,108
Total Agency Costs	<u>\$106,111.12</u>	<u>\$114,139</u>	<u>\$111,257</u>	<u>\$2,388</u>	<u>\$113,645</u>	<u>\$832</u>	<u>\$115,396</u>
General Fund	106,111.12	114,139	111,257	2,388	113,645	832	115,396
Total Funding Costs	<u>\$106,111.12</u>	<u>\$114,139</u>	<u>\$111,257</u>	<u>\$2,388</u>	<u>\$113,645</u>	<u>\$832</u>	<u>\$115,396</u>
Administration	106,111.12	114,139	111,257	2,388	113,645	832	115,396
Total Program Costs	<u>\$106,111.12</u>	<u>\$114,139</u>	<u>\$111,257</u>	<u>\$2,388</u>	<u>\$113,645</u>	<u>\$832</u>	<u>\$115,396</u>

MISSION AND GENERAL STATEMENT

The mission of the Commissioner of Political Practices is, in a fair and impartial manner, to monitor and to enforce campaign finance disclosure, lobbying disclosure, and the business interest disclosure of elected officials; to monitor campaign practices and to enforce the laws respecting them; and to investigate legitimate complaints that arise concerning any of the above.

The Commissioner of Political Practices is provided for in section 13-37-102, MCA, which was enacted in 1975 as part of a campaign finance and practice law reform package, with duties and responsibilities set forth in part 1 of chapter 37, title 13, MCA. Additional responsibilities for the office were created through passage of an initiative in 1980 which provided for both lobbying disclosure and disclosure of business interests of elected officials.

AGENCY ORGANIZATION

The commissioner, who is appointed for a single six-year term by the governor from nominees recommended by a four-member legislative committee comprising the top leadership of both parties, heads the

agency. The commissioner may be removed from office by the governor only for statutorily stated reasons which are subject to judicial review.

As the organization chart on the following page reveals, the commissioner's office is a very small agency (possibly the smallest in state government) with just three full-time staff--the commissioner and two administrative assistants. Legal counsel is provided as and when needed on a contract basis either through agency legal services of the Department of Justice or by private counsel.

The office has but one program--administration--which is described later.

GOALS

- To review and check for accuracy, in timely manner, all statements and reports filed with the office by candidates, political committees, lobbyists and their employers, and elected officials.
- To investigate promptly all legitimate complaints of alleged violations of campaign finance and practice and of lobbying activities.
- To prepare and distribute broadly reports and other information concerning campaign finance, lobbying activities, actions of the commissioner, and other matters deemed important and useful.

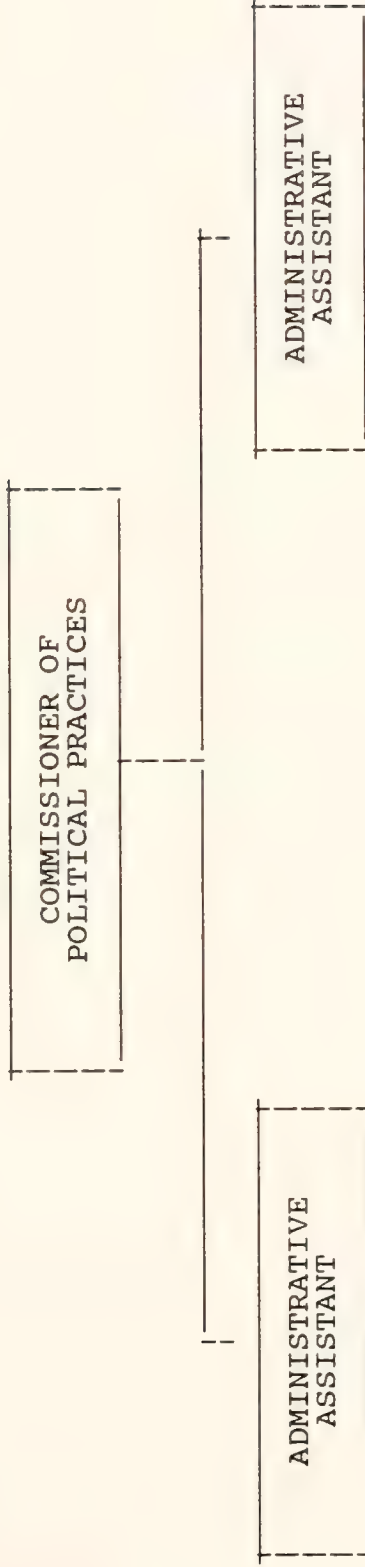
- To suggest legislation to improve campaign finance and practice, lobbying disclosure, and operations of the office.

AUTHORIZATION

Part 1, chapter 37 Duties and responsibilities in area of title 13, MCA of campaign finance and practice.

5-7-101 through 5-7-305, MCA Duties and responsibilities in area of lobbying disclosure and business disclosure of elected officials.

Commissioner of Political Practices Organizational Chart



BASE PROGRAM

As indicated earlier, the office has but one program--administration. All tasks, duties, and functions of the office that relate to its central purpose surrounding political practices are embraced in this single program.

Overall management and direction of the program are provided by the commissioner through the performance of a number of administrative tasks in the areas of budget and personnel, policy and procedure development, and rule making. Indicators of performance are difficult to quantify for these management areas but may be reflected in the responsiveness of the office to its constituents.

In addition to performing management tasks outlined above, the commissioner prepares biennially a report of campaign finances, investigates complaints, issues advisory opinions, conducts workshops, prepares and distributes a campaign finance manual, proposes legislation to improve political practices, and performs some random field audits

of campaign records. Because the staff is so small and because the workload has cyclical peaks, the commissioner also assists in checking campaign and lobbying reports, registering lobbyists, entering data on computers, performing receptionist duties and other typical office tasks.

Both administrative assistants perform a number of the same duties; these include registering lobbyists and their employers, entering their names on the official docket, checking campaign finance and lobbying reports, performing computer data entry tasks, answering telephone inquiries, offering suggestions for materials revisions, proofing written materials, performing receptionist duties, filing, and doing anything else required by the program.

In addition to these common tasks, each administrative assistant has discreet duties for which principal responsibility is assigned. One assistant, who is located in the front office, has lead responsibility for monitoring the various reporting schedules and calendars, preparing routine letters and packets for constituents and county election administrators, preparing payroll and performing office accounting functions, ordering supplies, maintaining files, opening and routing mail, and generally providing other typical office manager services.

A second administrative assistant has particular responsibility for research, writing, analysis, and editorial tasks including preparing draft responses to correspondence, drafting suggested legislation and supportive testimony, providing critical review of commissioner's written work, reviewing and revising forms, maintaining an annotative index of advisory opinions issued, and generally providing other communication services.

The overall workload of the office has increased over the past few years as more and more people file for office, as campaigns become more expensive, as more people register to lobby, and as more complaints are filed. Quantification is shown in the performance indicators of this narrative.

BASE FUNDING

Funding for the office and its one program is received entirely from the general fund. Revenue generated by the office in the form of lobbyist license fees (\$10.00 per lobbyist), photocopying (at \$.10 per page), and sale of a campaign finance book (at cost which was \$20.00 for the last publication) amounts to approximately \$8,000 for a biennium. None of this revenue is made specifically available to the office; it is all deposited in the general fund.

PERFORMANCE INDICATORS

<u>Clerical</u>	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
--Data entry-pages	20,000	35,000	25,000	40,000
--Word processing-pages	5,000	10,000	5,000	10,000
--Photocopying documents-pages	12,000	15,000	15,000	20,000
--Filing-number of documents	2,500	3,000	3,000	3,500
<u>Audit</u>				
--Desk				
campaign finance	2,500	2,500	2,600	2,600
lobbying disclosure	200	1,000	400	2,000
business disclosure	250	N/A	250	N/A
--Field	0	0	20	10
<u>Publications</u>				
--Forms-number of revisions	5	2	4	2
--Campaign finance book, other reports	0	5	2	4
Complaints filed with office				
--Informal, usually oral	200	250	250	300
--Formal, written	10	15	10	15
investigated	8	10	10	15
dismissed or no action	2	4	2	4
referred for prosecution	0	0	2	2
<u>Compliance measures</u>				
--Telephone calls to campaign treasurers	75	100	100	100
--Telephone calls lobbyists' employers	10	50	10	50
--Letters of warning	5	0	0	0
--Orders of noncompliance	5	14	70	70

PERFORMANCE INDICATORS (cont.)

<u>Services</u>	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
--Answers to oral inquiries about campaign finance and practice	500	600	600	650
--Advisory opinions, written	2	0	4	2
--Advisory counsel, oral	10	5	10	5
--Workshops conducted	3	2	4	4
--Speaking engagements	1	2	3	3

INCREASE OR DECREASE FROM BASE

For the most part, increases from the base are the result of anticipated increased costs (as a postage increase) or applied inflation factors. The increase in travel reflects both higher costs and more field audits of campaign records. Photocopy machine rental is reduced from \$1,740 to zero while lease/purchase of a machine over three fiscal years ending with FY93 is increased from zero to \$1,608; the result is a net savings of \$132 each year. An expected need to upgrade software accounts for retention of the \$500 base amount in the recommended level the increase from zero to \$500 in FY93 only.

An administrative assistant expects to retire on November 1, 1991, and the current commissioner's term ends on December 31, 1992. The estimated amount for lump sum payment of accrued but unused vacation time and sick leave for both positions plus employer benefits totals \$10,150 for the biennium. Employment, however, of a new administrative assistant at a step level much below the retiring assistant should absorb much of the costs. The net increases, therefore, in personal services for the biennium are \$1,100 and \$500 for FY92 and FY93 respectively for termination pay.

MONTANA STATE AUDITOR'S OFFICE

STATE AUDITOR

COMMISSIONER OF INSURANCE

COMMISSIONER OF SECURITIES

DIRECTOR OF STATE PAYROLL

ANDREA "ANDY" BENNETT

1993

BIENNIUM BUDGET

MONTANA STATE AUDITOR'S OFFICE
1993 BIENNIUM BUDGET

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STATE AUDITOR

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended
Full Time Equivalent Employees	66.00	67.50	67.00	2.00	69.00	2.00	67.00	2.00
Personal Services	1,531,600.32	1,785,485	1,827,774	60,772	1,888,546	60,628	1,826,339	60,628
Operating Expenses	965,249.34	864,396	845,820	146,112	991,932	133,371	830,687	133,371
Equipment	938.67	1,000	0	72,723	72,723	22,170	0	22,170
Local Assistance	14,734,063.12	16,600,000	14,800,000	0	14,800,000	0	14,800,000	0
Total Agency Costs	\$17,231,851.45	\$19,250,881	\$17,473,594	\$279,607	\$17,753,201	\$216,169	\$17,457,026	\$216,169
General Fund	2,111,585.25	2,231,339	2,313,594	193,116	2,506,710	128,527	2,297,026	128,527
State Special Revenue Fund	7,404,365.26	7,419,542	7,360,000	348	7,360,348	355	7,360,000	355
Federal Special Revenue Fund	7,715,900.94	9,600,000	7,800,000	0	7,800,000	0	7,800,000	0
Proprietary Fund	0.00	0	0	86,143	86,143	87,287	0	87,287
Total Funding Costs	\$17,231,851.45	\$19,250,881	\$17,473,594	\$279,607	\$17,753,201	\$216,169	\$17,457,026	\$216,169
Central Management	225,878.46	238,970	249,702	147,166	396,868	85,827	249,803	85,827
State Payroll	598,478.00	573,312	579,516	558	580,074	555	564,504	555
Insurance	804,244.15	965,526	999,370	34,201	1,033,571	32,125	999,620	32,125
Securities	276,183.38	290,828	304,589	614	305,203	596	304,738	596
Local Assistance Distributions	6,075,672.41	6,000,000	6,000,000	0	6,000,000	0	6,000,000	0
Forest Res & Fpge To Counties	7,715,900.94	9,600,000	7,800,000	0	7,800,000	0	7,800,000	0
Pension Adj Retired Firemen	941,489.77	1,000,000	1,000,000	0	1,000,000	0	1,000,000	0
Fiscal Control And Management	593,004.34	582,245	540,417	97,065	637,485	97,065	533,361	97,065
Total Program Costs	\$17,231,851.45	\$19,250,881	\$17,473,594	\$279,607	\$17,753,201	\$216,169	\$17,457,026	\$216,169

MISSION AND GENERAL DESCRIPTION

The office of the State Auditor, established by Article VI, Section 1 of the Montana Constitution, has the following fiscal duties: superintend the fiscal duties of the state; give information to the Legislature relating to fiscal affairs; suggest plans for improvement and management of the public revenues; keep an account of all warrants; keep an account between the state and the state treasurer; keep a register of warrants; require all persons receiving state monies to settle their accounts; draw warrants on the state treasurer; authenticate all warrants drawn; collect and pay into the state treasury all fees received. The State Auditor also has the following discretionary duties: inspect the books of

any person charged with the receipt, safekeeping, or disbursement of public monies; promulgate rules regarding the distribution and processing of warrants issued; and establish a system of filing and storage of the original copy of claims paid by state warrant. The State Auditor is allowed access to all offices of the state for the inspection of such books, papers, and accounts as relate to the Auditor's duties.

The State Auditor is both the Commissioner of Insurance and the Commissioner of Securities. The State Auditor is charged with the duty of licensing and regulating insurance companies and producers within the state. The State Auditor is also assigned the responsibility of regulating and registering issuers, securities salesmen, broker-dealers, investment advisers, and investment adviser representatives. The State Auditor is also director of the State's central payroll system. The Montana State Auditor's Office is organized into the following departments: Central Administration, State Payroll, Insurance, Securities, and Fiscal Control and Management. Departments are supervised by the Deputy State Auditor, and Department Deputies/Directors.

AGENCY MISSION

The Montana State Auditor's Office is required by nature to continuously advance and upgrade to meet the needs of state agencies and Montana citizens. This office has a vast degree of exposure in terms of addressing public concerns on insurance and securities, protecting the public from misrepresentation and scams and providing payments and payroll for state government operations. No other state agency has this mixture of service, examinations, investigations and support responsibility. Very few state government agencies have programs that generate more revenue than expenditures for the state general fund. During fiscal year 1990 the bad debts collection function was transferred from the Department of Revenue to the State Auditor's Office. Also, we revised our organizational chart to separate the Fiscal Control and Management Department and the State Payroll Department. These departments were previously combined in the Audit Division but their functions are not compatible and unique budget and accounting functions are necessary. It is our goal to continue to provide the best possible service to the citizens of Montana. Recent upgrades in the warrant writing and payroll systems have streamlined and accelerated these functions. Following recent events in the financial world a continuing effort to support and regulate insurance and securities operations within Montana must be upheld. In order to perform the goals of this office modifications and upgrades to existing support systems is imperative. Our mission during the next biennium is to modernize operations to provide outstanding service to the state and people of Montana. The State Auditor, Commissioner of Insurance, Commissioner of Securities, Director of State Payroll and Warrant Writing collects in excess of 30 million dollars in fees, premiums, pass through accounts and special revenue each year. These receipts are distributed as follows:

- 43% To State General Fund
- 25% Federal pass through to local government
- 23% Distribution to Montana pension and trust accounts
- 6% To State Auditor's Office operations

The responsibility for accounting for these funds and the requirements for collecting funds is part of the office operation. There are several issues that have to be resolved to insure that the State Auditor's Office mission can be met. In addition to individual departmental modifications, the office has submitted the following issues for consideration:

- A. Office Remodeling. This office suffers a shortage of work space for employees. This problem is so severe that important positions cannot be filled.
- B. The existing WANG computer system is obsolete and overloaded to the point that system failure, cost of maintenance, lost data, lack of system support and compatibility with state systems have eliminated any expansion or automation of data systems.
- C. Pay levels for professional and administrative staff must be increased to eliminate recruitment, hiring and turnover problems.
- D. System support to develop ongoing programs for insurance, securities, pension and reporting systems is imperative to management of an immense data base and collection system.

E. Funding for education and training is extremely important in the ever changing industries the office monitors. The insurance, securities and payroll operations are constantly changing and our staff must be kept current.

The State Auditor's Office has made substantial operational improvements over the last two bienniums.

Our mission is to continue to efficiently develop and update operations to provide required services.

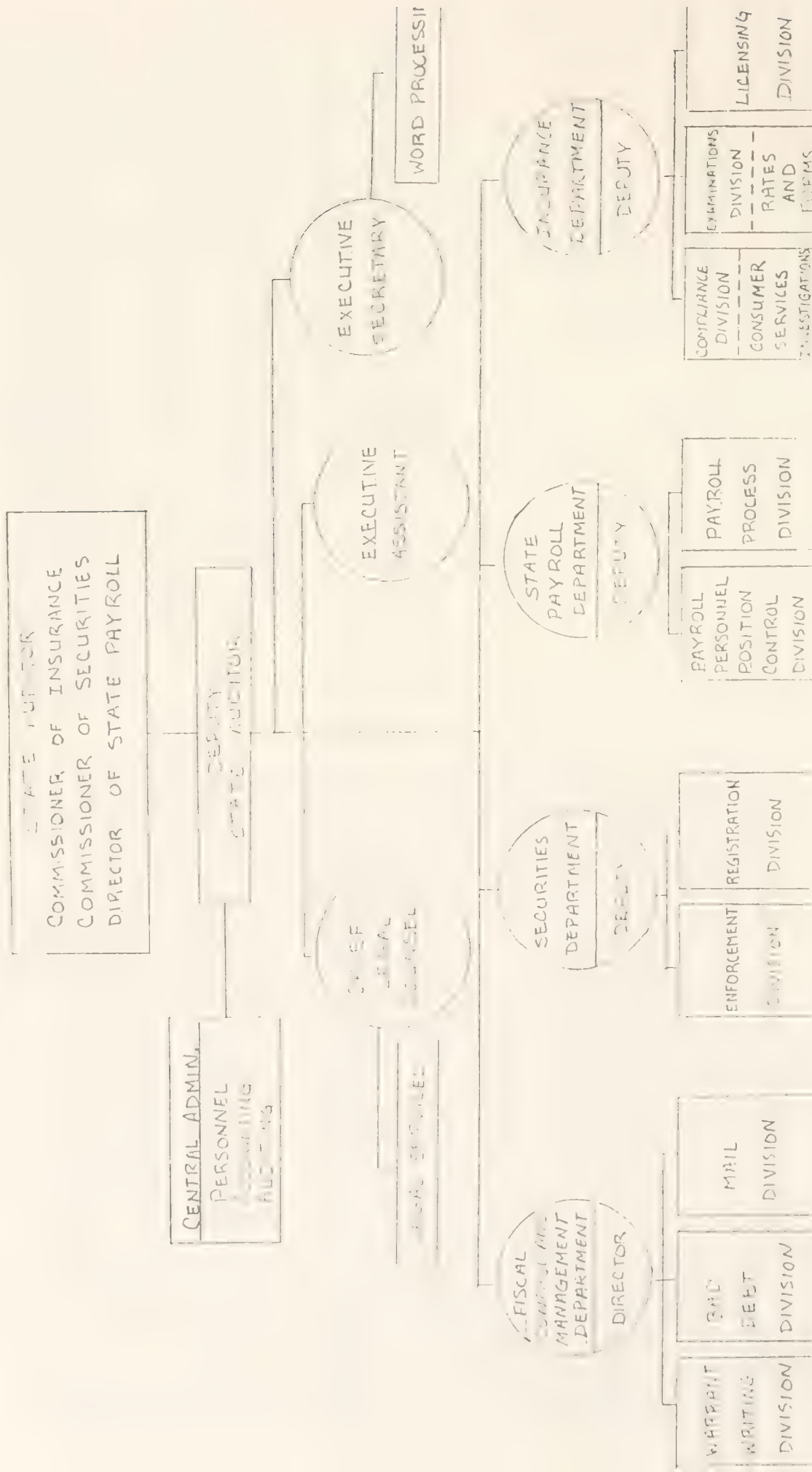
AGENCY ORGANIZATION

The Montana State Auditor's Office is organized into eight programs: Central Administration, State Payroll, Insurance, Securities, Fiscal Control and Management, Local Assistance Distributions (Montana police and firemens pension and trust), Forest Reserve (federal funds allocated to Montana counties) and Pension Adjustment - Retired Firefighters (supplemental pension account). These eight programs are allocated to five separate departments.

Central Administration Department
State Payroll Department
State Insurance Department
State Securities Department
Fiscal Control and Management Department
(warrant writing system)

All department deputies and directors report directly to the State Auditor. Departments are further divided into divisions based on activity and definition. During the 1991 Biennium, the Audit Department was divided into the State Payroll Department and Fiscal Control and Management Department.

This change in organization was dictated by the difference in functions and operation of the two departments. The organization chart is currently under revision to reflect clearer definition of duties and changes in personnel assignments. The organizational chart accurately reflects the State Auditor's Office as of November 1990.



CENTRAL MANAGEMENT

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended	
Full Time Equivalent Employees	8.00	8.00	8.00	1.00	8.00	1.00	9.00
Personal Services	206,888.04	218,793	221,022	33,035	254,057	32,958	254,035
Operating Expenses	18,888.42	20,177	28,680	43,608	72,288	31,199	59,925
Equipment	102.00	0	0	70,523	70,523	21,670	21,670
Total Agency Costs	\$225,878.46	\$238,970	\$249,702	\$147,166	\$396,868	\$85,827	\$335,630
General Fund	225,878.46	238,970	249,702	147,166	396,868	85,827	335,630
Total Funding Costs	\$225,878.46	\$238,970	\$249,702	\$147,166	\$396,868	\$85,827	\$335,630

OVERVIEW

The Central Management Program, referred to herein as the Central Administration Department is responsible for office administration. Included in management are the Word Processing, Legal Services, Pension and Trust Funds and Federal Forest Reserve Funds. Central Administration is the comptroller for State Auditor's Office operations.

Divisions:

Office Administration - accounting, auditing, personnel, office payroll, purchasing, property control, financial reports, investments, budgeting, and fund management. Programs 06 - Pension Funds, Program 08 - Federal Forest Reserve Funds and Program 09 - Supplemental Pension Funds are also administered by Office Administration.

Legal Services - legal review and administration, securities and insurance legal support, state payroll and warrant system legal support, review of criminal investigations and review of internal and external policy. The State Auditor's Office is defined as a criminal Justice Agency by code.

Word Processing - support services for secretarial services, file management and control, document processing and copying and communications administration. The secretarial services for the State Auditor's Office are centralized to provide efficient operations.

Goals

- o Provide continuing service to the State Auditor's Office in legal, financial system support and document processing areas.
- o Continue with detailed audits of Pension Trust and Federal funds to insure compliance with Montana Codes and Protect police and fire retirees.
- o Provide legal support to protect the insurance and securities providers and consumers in the state of Montana.
- o Define and implement automated systems to allow information access and accurate reporting and projection.
- o Continue with revision of internal policy, control and accounting to allow continued effective office operations.

AUTHORIZATION

Article 6	Constitution of Montana
MCA Title 2	Chapter 16 public Officers
MCA Title 17	State Finance
17-1-121	General Fiscal Duties of State Auditor
17-1-122	Discretionary Duties of State Auditor
17-1-123	Access to Offices
MCA Title 17	Federal Assistance Management
17-8-101	Forest Reserve Money
17-8-102	Appropriation to Charities
17-8-213	Allocation
MCA Title 19	Police Retirement
Part 7	Employer and State Contributions
Part 10	Benefits in General
Chapter 10	Management of Police Retirement Funds
Chapter 11	Firefighters' Retirement
MCA Title 44	Law Enforcement
Chapter 5	Criminal Justice Information

Base Program

The Deputy State Auditor administers the Central Administration Department. In addition to office administration, legal support and document processing current activities include review of internal policies, automated document reporting and collection systems and office space allocation. During the 1993 Biennium Central Administration is proposing an additional F.T.E. to completely revise computer hardware, software and systems. The current system is antiquated and overloaded and suffers from lack of support and extended down time. A revised floor plan has been developed to allow file and storage space to be used for personnel thus allowing all available positions to be filled. The Legal Division will continue to be involved with coordination of all legal work for Securities, Insurance, State Payroll, and Fiscal Control and Management. Work with investigators and examiners to determine cases to be prosecuted. Assist attorneys working on securities and insurance related matters. Legal activities will continue to result in many cases being prosecuted on behalf of the citizens of Montana.

Base Funding

The Central Administration Department is funded by the State General Fund.

Performance Indicators

<u>Legal</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>
Securities & Insurance Fines	\$ 110,000	\$ 100,000	\$ 140,000	\$ 140,000
Cases Prosecuted	4	4	4	4
Cases Reviewed	80	80	80	80
Policy Reviews	25	25	25	25
Hearings & Depositions	20	20	20	20
<u>Office Administration</u>				
Revenue Deposited				
Insurance	\$27,500,000	\$27,500,000	\$24,000,000	\$22,000,000
Securities	2900,000	\$2,000,000	\$2,000,000	\$2,000,000
Bad Debts	\$500,000	\$500,000	\$700,000	\$800,000
Accounting Transactions	\$120,000	\$120,000	\$120,000	\$120,000
Special Management Reports	13	15	20	20
Office Policy and Procedure Changes	20	21	12	10
Local Government Financial Reviews	188	188	188	188
Forest Reserve Payments	\$7,800,000	\$11,000,000	\$10,000,000	\$10,000,000
Pension/Trust Payments	\$7,018,000	\$7,000,000	\$7,000,000	\$7,000,000
<u>Word Processing</u>				
Letters and Documents Prepared	24,000	24,000	24,000	24,000
Licenses Producers	20,000	20,000	20,000	20,000
Reports Prepared	200	200	200	200
Copies Made	340,000	400,000	400,000	400,000

INCREASE FROM BASE

There are three modifications included in the base budget for fiscal years 1992 and 1993.

A. Computer System Upgrade. The existing WANG system has become outdated and overloaded. The maintenance for the WANG system is currently costing over \$10,000.00 per year. In addition to this, we have had equipment failures in FY 1991 costing \$5,000.00. It is very expensive to replace WANG products. One terminal replacement alone is equal to the cost of one P.C. We were forced to add 76 MB of storage to the system in FY 1991 at a cost of \$1,500.00. A serious problem has developed with system and equipment failure. In addition, there is only one company in the U.S. that can provide support for the system operating software. During the first half of fiscal year 1991, we have had 16 system failures. In one instance, the system completely overloaded and crashed resulting in a loss of a full year of insurance receipting data. There is no guarantee that this system will not crash again at any time. Downtime and difficulty in getting parts and service has resulted in costly lost work time. It is ridiculous to try to augment or upgrade the WANG system. It would cost at least \$25,000.00 to increase the storage of the system to a level adequate for another year of operation. In addition, now that the majority of state operations have initiated networked PC systems, we are not compatible with other state systems. Based on those figures, annual cost of the WANG system for FY 1992 would be.

Maintenance & Training	\$12,000.00
Equipment Failure	\$ 5,000.00
Downtime	\$33,600.00

Assume 35 employees down for 120 hours at a cost of \$8.00 per hour.

System Upgrades	\$25,000.00
Total	\$75,600.00

This budget modification would allow for the replacement of the WANG System. Standard equipment, software and programs would be used to allow the use of state resources. A system specialist would be able to convert all systems to common and compatible formats. The state would save money and time immediately by providing a networked P.C. system. A basic operational replacement system would cost

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CENTRAL MANAGEMENT

\$150,000 for the biennium.
FY 1992
<u>FY 1993</u>
<u>\$97,930</u>
<u>\$52,070</u>

B. General Office Remodel. The State Auditor's Office has a severe shortage of work space for professional employees. A hallway has been sealed to free file space for office space. Additional remodeling is required to convert storage and file space into work space. This office has not been able to fully staff positions due to a lack of space for new hires. Our proposal was for \$25,000 to divide existing work areas, provide central file storage and eliminate lektriers. There are six lektriers occupying over 600 square feet of space. There is only one company in Montana that will dismantle and move lektriers at a cost of \$2,000.00 each. The material stored in lektriers would be allocated to regular files, electronic storage and records management. This proposal was reduced to \$15,000.00 due to lektrier costs. The \$15,000.00 will be used to remodel existing areas for work space. This office has made attempts to secure additional work space and these efforts will continue.

FY 1992	FY 1993
<u>\$15,000</u>	<u>-0-</u>

C. System Specialist. The Montana State Auditor's Office does not have a computer or system specialist for office system support. We have relied on outside contractors and all other sources for system support. A study by the State P/P Coordinator has indicated that programs written for the WANG System are antiquated, repetitive and difficult to understand and use. As systems become worn out and overloaded, there is a need to revise systems particularly in the Insurance and Securities Departments. The State Payroll and Warrant Writing Systems have advanced rapidly in technology and automation over the last 2 1/2 years. The addition of the Bad Debts Program in FY 1990 has added a unique automation demand to the office. New systems are so sophisticated and complex that the office relies almost entirely on non-office resources for system development and support. The cost of a system specialist would be offset by technological advances, efficient programs and systems and decreased maintenance and program development costs.

FY 1992	FY 1993
<u>\$33,805</u>	<u>\$33,345</u>

Other Budget Issues

The State Auditor's Office has submitted several budget issues and program

changes for legislative consideration. In addition to the modifications documented the following issues are important to progressive operations.

A. Professional Executive Staff Pay Increases.

Executive staff salaries for the State Auditor's Office have historically been held below levels of other state agencies for appointed and classified executives. A comparison of salaries for state and regional administrative employees done in 1989 - 1990 reflects this difference. Executive staff of the State Auditor's Office is paid at a rate substantially lower than other executive and elected state offices.

The State Auditor's Office is requesting a base salary increase for selected executive and professional pay plan exempt employees for the 1993 Biennium. We feel this is a reasonable request based on salary comparisons and cost of living factors.

The State Auditor's Office has problems with recruitment and retention of executive and professional employees. Without a pay increase and a competitive salary base, this concern could lead to a decrease in public services.

FY 90 Salary Comparison Summary Executive/ Administrative Staff

Average	State Auditor's Office	Region	General	
			Elected Officials	State Government
	\$29,915.00	\$37,590.00	\$38,789.00	\$39,335.00

During FY90 the State Auditor also appointed a Deputy State Auditor that resulted in an additional \$6,000.00 annual in salary cost. This office is requesting \$48,000.00 additional general fund per fiscal year to increase the salary of 10 professional / executive employee to near competitive levels.

B. State Auditor's Office Training and Education Program.

During FY91, the State Auditor's Office will implement a formal procedure of providing training to employees based on performance evaluations. If an employee exhibits a weakness in an assigned duty and training or education can eliminate the weakness, it is recommended. All training and education requests must be submitted through a formal approval process and reflect a measurable benefit to the employee's job performance and the operation of the Auditor's office.

Annually there are significant changes in financial reporting, legal issues and insurance and securities regulations. It is imperative that office employees receive continuous training and education.

Through the final half of fiscal year 1990, the Auditor's office had expended \$6,205.00 for education, training, dues and subscriptions. Expenditures in FY90 are one-half the amount necessary to conduct adequate training, pay professional membership dues, fees and subscriptions.

There are several national insurance, securities, and financial reporting organizations that the Auditor's office must actively participate in to serve the people of Montana.

The Auditor's office is requesting an additional \$6,000.00 per fiscal year in dues, subscriptions, education, and training funds above the level appropriated in fiscal year 1990. These additional funds are to be used for office wide dues:

National Auditor's Association
National and Regional Insurance
and Securities Organizations

Subscriptions:
Trade journals
Accounting newsletters
Legal references

Education and Training:

Government Accounting
SBAS training
Legal Insurance and Securities
Computer training
Investigations, self protections
and law enforcement.

The value of current education, training, and reference material is extremely important to this office due to regulatory, investigative, financial, payroll, and public and government relations activities. Continuing updates in office automation requires training in computer use. Investigators within the office are involved in law enforcement activities that require special training and protection.

Funding request by program (per fiscal year)

Program 01	Central Administration	\$2,000.00
Program 02	State Payroll	500.00
Program 03	Insurance	1,500.00
Program 04	Securities	1,500.00
Program 10	Fiscal Control and Management	500.00

C. State Auditor's vehicle. In September of 1990 the state assigned vehicle to the State Auditor's Office was destroyed in an accident. An insurance settlement was reached with the other party to pay book value of the 1986 Chevrolet. This settlement was not adequate to purchase a new vehicle for the office. A 1990 used vehicle was chosen from eight lease bids to replace the 1986 Chevrolet. A lease was chosen to reduce the initial cost of the replacement vehicle. This lease will run \$3,000 per year for 4 years. The insurance settlement will pay the lease for fiscal years 1991 and 1992. We are requesting

\$3,000.00 to pay the lease in FY93 and \$1,000.00 and \$900.00 in fiscal years 1992 and 1993 respectively to pay insurance and taxes. 1992 - \$1,000.00, 1993 - \$3,900.00 Total requested.

STATE PAYROLL

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended
Full Time Equivalent Employees	9.50	9.50	9.00	.00	9.00	.00
Personal Services	234,667.43	244,606	243,957	244,515	243,741	244,296
Operating Expenses	363,371.03	328,706	335,559	335,559	320,763	320,763
Equipment	439.54	0	0	0	0	0
Total Agency Costs	\$598,478.00	\$573,312	\$579,516	\$558	\$564,504	\$565,059
General Fund	212,274.92	153,770	219,516	210	204,504	204,704
State Special Revenue Fund	386,203.08	419,542	360,000	348	360,000	360,355
Total Funding Costs	\$598,478.00	\$573,312	\$579,516	\$558	\$564,504	\$565,059

OVERVIEW

The Montana State Auditor is Director of the State Payroll System. This Department prepares payroll amounts, records and data. Providing timely, accurate payroll payments to 11,300 employees on a bi-weekly basis. The payroll system produces bi-weekly payroll checks, withholds and deposits all elected and mandatory deductions from employees checks, files the required state and federal tax, unemployment and worker's compensation reports.

Maintenance of the statewide Payroll/Personnel/Position Control System in an additional function of the Payroll Department. Establish the personnel services budget detail for all state agencies at the beginning of each fiscal year and provides budget variance reports throughout the year. The personnel portion provides a method of recording training, skills, education, EEO and other relevant personnel data.

Goals

- o Provide continuous updates to the P/P/P system. Provide support and technology to make system more user friendly.

- o Convert all state agencies to P/P/P use.

- o Continue efficient operation of payroll payments to state employees.

Authorization

Article 6
MCA Title 2 Chapter 16
MCA Title 17
MCA Title 2
Title 2, Part 4

Constitution of Montana
Public Officers
General Duties of State Auditor
State Employee Classification,
Compensation and Benefits
Payroll Systems

Base Program

Although the process of recording and issuing payroll payments has remained fairly static, there have been many innovations in the P/P/P System. The P/P/P provides a vast data base of relevant employee information. The technology and programming required for this system is immense.

The on line entry of payroll and the updates to P/P/P have changed the goals and direction of State Payroll in recent years. Further changes in base programs, additional training and resource material are designed to make the system easier to use and understand. During the 1993 Biennium, the system will continue the development into an efficient and effective tool of state government. The designing, maintaining, and running state payroll systems is expensive but, further innovation will provide cost efficient future operations.

	Actual 1990	Approp. 1991	Recommended	93 Recommended
State Special Revenue	\$386,478	*\$419,542	\$360,348	\$360,355
	<u>212,274</u>	<u>153,770</u>	<u>219,726</u>	<u>204,704</u>
	\$598,752	\$573,312	\$580,074	\$565,059

It is doubtful that this amount will be collected, recent projections are \$9,000 short of appropriated amounts.

Performance Indicators

Bi-weekly Payroll	11,300	11,300	11,300
Payroll Warrants Processed	297,000	297,000	290,000
Process Payroll related pay warrants	3,000	3,000	3,000

Provide training and support services to all state agencies on P/P/P system the end of the biennium.

Convert all agencies to P/P/P system in FY 1992. Research P/P/P - S.B.A.S. crossover system to provide balances and guarantee compliance.

Base Funding

The State Payroll Department is funded from a combination of general fund and special state revenue. Based on a formula, revenue is collected from state agencies that have nongeneral fund payroll payments to assist with overhead costs of the system. A recent decrease in special revenue accounts that the state administers reduces the amount that can be charged for payroll services.

OTHER ISSUES

During May of Fiscal Year 1990, the State Payroll System was billed an additional \$10,000.00 for System Support Services. This resulted in the amount of available funding for Fiscal Year 1990 being short of actual Department of Administration charges. We have projected current level operations into 1991, 1992, and 1993. A budget supplemental has been requested to support Fiscal Year 1991 operations. In addition, at current levels, the 1993 Biennium Budget will not be adequate to pay the Department of Administration charges.

A supplement of \$51,054.00 is being requested for Fiscal Year 1991.

Amount of additional appropriation requested for:

Fiscal Year 1992	\$20,369.00	
Fiscal Year 1993	\$15,389.00	
	<u>Appropriation</u>	<u>D of A Charges</u>
Fiscal Year 1991	\$256,084.00*	\$297,007.00 (40,923)
Fiscal Year 1992	276,638.00	297,007.00 (20,369)
Fiscal Year 1993	281,618.00	297,007.00 (15,389)

* Reduced by \$10,131.00 to pay Fiscal Year 1990 expenses.

INSURANCE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Deer Recommended	----- Base	Fiscal 1993 Incr/Deer Recommended	-----
Full Time Equivalent Employees	30.00	30.00	30.00	1.00	31.00	1.00	31.00
Personal Services	655,735.58	816,098	854,693	26,025	880,718	853,719	879,683
Operating Expenses	148,508.57	149,428	144,677	5,976	150,653	145,901	151,562
Equipment	0.00	0	0	2,200	2,200	0	500
Total Agency Costs	\$804,244.15	\$965,526	\$999,370	\$34,201	\$1,033,571	\$999,620	\$1,031,745
General Fund	804,244.15	965,526	999,370	34,201	1,033,571	999,620	1,031,745
Total Funding Costs	\$804,244.15	\$965,526	\$999,370	\$34,201	\$1,033,571	\$999,620	\$1,031,745

OVERVIEW

The Montana State Auditor is the Ex Officio State Commissioner of Insurance. The Insurance Department is responsible for licensing, regulation, examination, investigation, and fee, tax, and fine collections. The Insurance Department is organized into three basic divisions:

- Compliance Division - Consumer Services and Investigations
- Examinations Division - Examinations
- Licensing Division - For agents and companies

Recent national financial concerns have increased the awareness of the vast assets involved in insurance. Almost every citizen in Montana is an insurance consumer. The protection of insurance consumers and valid providers is imperative. The Insurance Department collects over \$25,000,000 annually in insurance premium taxes, licensing fees and fines.

Goals

- o Regulate the insurance industry in Montana to protect consumers from fraud and insolvencies.
- o Develop recording systems that are accurate and automated.
- o Increase the investigative capabilities of the Department by reorganization and additions of staff.
- o Work with consumers and providers to allow Montana citizens the best insurance packages available.

Authorization

- Article 6
- MCA Title 2 Chapter 16
- MCA Title 17
- MCA Title 33
- MCA Title 44 Chapter 5
- Constitution of Montana
- Public Officers
- General Duties of the State Auditor
- Insurance and Insurance Companies
- Criminal Justice Information

Base Program

Regulation. Regulates the insurance industry for Montana and protects Montana insurance participants.

Policyholder Services. Resolves consumer inquiries and complaints involving producers, coverages, and companies.

Examinations. Reviews the financial condition, market conduct and premium tax collections of all insurance companies doing business in Montana; license all insurance companies, administrators, and insurance consultants and register risk retention and purchasing groups; review for all rates and forms filings by insurance companies.

Investigations. Investigate insurance code and rule violations, pursue criminal activity in insurance business, protect Montana consumers.

Licensing. Testing and licensing of all producers and solicitors seeking to do business in Montana, also adjusters and motor club representatives must be licensed.

Provide information, regulation, and expertise to insurance producers and consumers. Protect Montana consumers from insurance crimes and fraud. Administer 2,000 licenses and renewals per year, including 2,400 insurance exams. Respond to 10,000 to 13,000 inquiries and requests for information annually. Up to 50 phone calls per day. Open and maintain 2,000 complaint files and 200 investigation files annually. Conduct four to eight major field investigations annually. Assist Montana citizens in receiving \$2,000,000 in claims and refunds annually. Relative to the number of examiners and investigators available, approximately \$100,000 in fines are collected annually. Conduct 800 to 1,000 desk audits and financial reviews of insurance companies per year.

Base Funding

The insurance program receives general fund support. Approximately eight per cent of the general fund revenue collected by the Department is allocated for operational support.

Performance Indicators

	<u>FY'90</u> <u>2,000</u>	<u>FY'91</u> <u>2,000</u>	<u>FY'92</u> <u>2,000</u>	<u>FY'93</u> <u>2,000</u>
Licenses and renewals				
Inquiries and requests for information	10,000	13,000	15,000	15,000
Complaints reviewed	2,000	2,200	2,500	2,600
Investigations conducted	200	250	500	500
Fines Collected	\$30,000	\$50,000	\$100,000	\$100,000

Most indicators will increase assuming full staff can be maintained and trained and additional F.T.E. remains.

Increase From Base

1. There is a base modification in the insurance program. During the last biennium HB 535 approved the addition of a Compliance Specialist II, Grade 12 to assist consumers with medicare programs. This position was not filled in FY90 due to uncertainty in the regulation and federal rules regarding Medicare. This position was filled in FY91 and our request is to continue this position for the 1993 Biennium. The emphasis on Medicare/Medicaid related issues continues to increase and this position will remain integral to these procedures.

<u>FY 1992</u>	<u>FY 1993</u>
\$30,317	\$28,265

2. An increase to operating expenses provides an additional \$1,900 each year for National Association of Insurance Commissioners dues.

<u>FY 1992</u>	<u>FY 1993</u>
\$1,900	\$1,900

Other Budget Issues

There are additional issues involved with Insurance Department operations that are considered imperative.

- A. The National Association of Insurance Commissioners (NAIC), is an organization of state insurance commissioners which assists commissioners to: maintain and improve state regulation of insurance in a responsible and efficient manner; achieve reliability of the insurance institution as to financial solidarity and to guarantee against insolvency of insurers; achieve fair, just and equitable treatment of policyholders and claimants; and to promote uniformity and continuity in state regulation.

The benefit that Montana derives from membership in the NAIC

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includes, but is not limited to: identification of trends in the insurance industry; identification of areas of concern for regulators; technical advice about legislation and rules; cooperation from other members in enforcement laws; ideas about how to deal with problems; sharing of information; and shared resources when conducting examinations.

The Montana Insurance Department is active in the NAIC. The commissioner is on the Executive Board and is the Secretary of the Western Zone of the NAIC. As such, the State Auditor helps to fashion the policies of the NAIC. Montana staff serves on several committees that cover the broad spectrum of insurance regulations including market conduct which reviews and makes recommendations about the market behavior of insurers and producers as their behavior directly affects individual consumers; financial condition which monitors and considers the financial solvency of insurers; accounting practices which develops the procedures to monitor the financial solvency of insurers; examination oversight which develops solutions to problems of financial solvency; and Medicare Supplement which facilitates public understanding of limited benefits health insurance plans.

The annual dues to belong to the NAIC currently is \$2,134.00. In FY91 the proposed amount is \$3,000.00, FY92 \$4,000.00 and FY93 \$5,000.00

Our request is for an additional \$2,000.00 in FY92 and \$3,000.00 in FY93 to maintain membership in the NAIC.

- B. Insurance Department Equipment Request. It is important to note that there is no equipment funds for the agency in fiscal 1991 which is used as the base budget year for the 1993 Biennium. It is not realistic to assume that no equipment will have to be replaced during the next biennium.

Most of the chairs used by the employees and visitors of the Insurance

INSURANCE

Department are old and of poor design, in various states of disrepair, unsightly and discarded from other state agencies.

Some employees have mentioned experiencing discomfort associated with the use of chairs that do not fit their persons or include decreased productivity, low morale and potential workmens' compensation claims for neck and back strain.

Visitors' chairs are needed to positively represent the office to the public. The Insurance Department acts as a court of first resort to those who allege illegal treatment at the hands of the insurance industry. Personnel of the department frequently receive visitors at their desks on an appointment or drop in basis. A responsibility of the department is to act in a cordial and respectful manner to the public. The chairs the department now uses, create the opposite impression. New chairs will also reinforce upon personnel the importance of visitors and their problems.

The Department needs eleven desk chairs. The cost of each chair is \$250.00. The department needs eleven visitor chairs at a cost of \$125.00 each. The total requested for new chairs is \$4,125.00.

Approximately 1,200 square feet of carpeting needs to be replaced. The carpet is unsightly and dangerous to employees and visitors. The General Services Administration reported that restretching the carpet will be futile as the carpet will stretch again. The General Services Administration estimates that new carpet can be installed at a cost of \$9.00 per square yard for a total cost of \$2,670.00.

ITEM	COST BREAKDOWN	
	<u>FY'92</u>	<u>FY'93</u>
desk chairs	\$2,750.00	-0-
visitor chairs		
carpet	<u>2,670.00</u>	<u>-0-</u>
	\$5,420.00	\$1,495.00

SECURITIES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr Recommended	Base	Incr/Decr Recommended
Full Time Equivalent Employees	9,00	9,000	9,000	0,00	9,000	0,00
Personal Services	233,621.52	247,027	255,836	256,422	255,723	256,308
Operating Expenses	42,290.27	43,801	48,753	48,781	49,015	49,026
Equipment	271.59	0	0	0	0	0
Total Agency Costs	\$276,183.38	\$290,828	\$304,589	\$305,203	\$304,738	\$305,334
General Fund	276,183.38	290,828	304,589	305,203	304,738	305,334
Total Funding Costs	\$276,183.38	\$290,828	\$304,589	\$305,203	\$304,738	\$305,334

OVERVIEW

The State Auditor is the Ex Officio Commissioner of Securities for the State of Montana. The Securities Act of Montana is designed to protect Montana investors and consumers. In addition valid providers and sellers are protected by the Act. It is the responsibility of the Securities Department to regulate securities activity in Montana. There are many instances of fraud and malfeasance in securities dealings. These illegal activities can potentially cost Montana citizens in many ways. The Securities Department is organized into two divisions. The Enforcement Division handles inquiries, questions and complaints, investigates and examines security issues and prepares documentation and testimony for criminal prosecutions. The Registration Division handles licensing of providers and registration of securities.

Goals

- o To provide protection to Montana consumers under the guidelines of the Montana Securities Act.
- o To continue update of automated system to enhance data maintenance and retrieval.
- o Administer securities licenses for 5,000 issuers, 11,800 agents, and 650 broker-dealers.
- o Collect 2,000,000 annually in fees and fines.

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o Process all requests for information in a timely basis.

o Maintain well trained staff in securities regulation.

Authorization

- Article 6
- MCA Title 2 Chapter 16
- MCA Title 17
- MCA Title 44 Chapter 44
- Securities Act of Montana
- Securities Securities regulation
- MCA Chapter 10 Title 30
- Parts 1 - 3
- Constitution of Montana
- Public Officers
- General Duties of State Auditor
- Criminal Justice Information
- MCA Title 30 VCC Code Investment

Base Program

Provide information, regulation, and expertise on securities related activities in the state of Montana. Administer securities licenses, 5,000 issuers, 11,800 agents, 650 broker/dealers and Process 4,800 requests for information and securities questions on an annual basis. Conduct 50 securities investigations per year. The Securities Department collects \$2,000,000 annually in fees and fines.

Regulation. Responsible for the administration and enforcement of the Securities Act of Montana, protection of persons engaged in securities transactions in Montana.

Investigation. Investigate unregistered or fraudulent securities transactions.

Registration. Of securities issuers, salesmen, broker-dealers, and investment advisers.

The Securities Department encourages and facilitates capital investment in the State of Montana.

Base Funding

The Securities Department is funded through the State General Fund. All fees and fines collected are deposited in the general fund. Fifteen percent of the revenue collected is allocated to the base operation of the Department.

Performance Indicators

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>
Licenses administered	17,000	17,600	17,600	17,600
Fees and fines collected	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Information and requests	4,500	4,800	5,000	5,000
Investigations conducted	50	50	50	50
Fines Collected	\$ 80,000	\$ 30,000	\$ 40,000	\$ 40,000

Other Budget Issues

Other budget issues that this office feels are imperative to the operations of the Securities Department.

A. Increase in in-state travel for securities investigators. We are requesting \$1,425.00 added support per fiscal year.

As of December 31, 1989 the Securities Department had expended all of its FY 1990 travel budget. Although we can monitor the out-of-state conferences and meetings, we do not have sufficient funds for the in-state travel that is necessary to provide investigative assistance to county attorneys. All of the investigations related to securities crimes committed in Montana are funded from the Securities Department budget. It is very difficult to conduct an investigation entirely from our Helena office. The investigative staff must travel within the state to interview witnesses, suspects, and to gather other evidence. Travel involves assistance with criminal prosecutions in remote counties. The investigators and legal counsel from our office will sometimes be out of town for a week or more at a time. We are requesting an additional \$1,425 per fiscal year in the 1993 Biennium.

Breakdown of projected increases in costs:

Location	Transportation	Lodging	Per Diem	Total
Travel:				
In-State Travel:				
Enforcement staff	\$1,000	\$240	\$185	\$1,425

B. Securities Department equipment request. As mentioned previously there is no funding in the agency budget for FY91 for equipment. We are requesting increased funding for equipment. This request is for FY92 only.

The Montana Securities Department requests the following equipment for the 93 biennium:

1. One portable personal size copier capable of making legal and letter size copies is needed by the investigators/examiners to use when they need to make copies while they are in the field investigating or examining offices.
2. Camera for use during investigations. There are times that the investigators need to document physical evidence frequently related to sales of real estate, precious metals, and other hard assets. Photographing the scene of alleged mining or oil and gas operations may provide evidence of the level of operations that are being conducted. Photographs of people or vehicles may be necessary to prove their presence at a location. When executing a search warrant with law enforcement authorities, photographs of the scene and evidence seized may be necessary.
3. A replacement for the document shredder that is used to destroy confidential criminal justice information. The old shredder is three years old and will not last until 1993. These confidential documents must be destroyed so that they do not accidentally get into the hands of unauthorized persons. If an office quality shredder were purchased rather than a personal quality shredder, the entire office could share the shredder and it would have a long expected lifetime. Now that insurance is also a criminal justice agency, the investigators will need to take the same precautions and shred their confidential documents.
4. The Securities Department will need additional filing cabinets to use for storage of documents.

Breakdown of Increase in Equipment Costs:

Description	Cost
1. Portable personal copier	\$1,000
2. Camera	300
3. Document Shredder	1,800
4. Filing Cabinets	<u>1,200</u>
TOTAL	\$4,300

MONTANA POLICE & FIREMEN'S PENSION

LOCAL ASSISTANCE DISTRIBUTIONS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Local Assistance Total Agency Costs	6,075,672.41 \$6,075,672.41	6,000,000 \$6,000,000	6,000,000 \$6,000,000	0 \$0	6,000,000 \$6,000,000	0 \$0
State Special Revenue Fund Total Funding Costs	6,075,672.41 \$6,075,672.41	6,000,000 \$6,000,000	6,000,000 \$6,000,000	0 \$0	6,000,000 \$6,000,000	0 \$0

OVERVIEW

This program reflects the amounts of insurance premium taxes that is allocated to police and firemens' pension accounts through P.E.R.D.

This program is administered by Central Administration.

FEDERAL FOREST RESERVE & FPGA TO COUNTIES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Local Assistance	7,715,900.94	9,600,000	7,800,000	0	7,800,000	0
Total Agency Costs	<u>\$7,715,900.94</u>	<u>\$9,600,000</u>	<u>\$7,800,000</u>	<u>\$0</u>	<u>\$7,800,000</u>	<u>\$0</u>
Federal Special Revenue Fund	7,715,900.94	9,600,000	7,800,000	0	7,800,000	0
Total Funding Costs	<u>\$7,715,900.94</u>	<u>\$9,600,000</u>	<u>\$7,800,000</u>	<u>\$0</u>	<u>\$7,800,000</u>	<u>\$0</u>

OVERVIEW

This program is established to allocate the annual payment of forest reserve monies and interest earned to qualified Montana counties.

This program is administered by Central Administration.

Note: The fiscal year 1991 allocation of Federal Forest Reserve Funds to the State of Montana will exceed \$11,000,000.00.

FIREFIGHTERS' SUPPLEMENTAL PENSION ADJUSTMENT

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Deer Recommended	----- Base	Fiscal 1993 Incr/Deer Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Local Assistance	942,489.77	1,000,000	1,000,000	0	1,000,000	1,000,000
Total Agency Costs	\$942,489.77	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000
State Special Revenue Fund	942,489.77	1,000,000	1,000,000	0	1,000,000	1,000,000
Total Funding Costs	\$942,489.77	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000

OVERVIEW

This program is established to allocate supplemental pension amounts to Montana Counties for qualified retirees. Funds are generated from insurance premium taxes. This program is administered by Central Administration.

FISCAL CONTROL AND MANAGEMENT

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended	
Full Time Equivalent Employees	9.50	11.00	11.00	.00	11.00	.00	11.00
Personal Services	200,687.75	258,961	252,266	568	252,834	566	252,645
Operating Expenses	392,191.05	322,284	288,151	96,500	384,651	96,500	382,782
Equipment	125.54	1,000	0	0	0	0	0
Total Agency Costs	\$593,004.34	\$582,245	\$540,417	\$97,068	\$637,485	\$97,066	\$635,427
General Fund	593,004.34	582,245	540,417	10,925	551,342	9,779	548,140
Proprietary Fund	0.00	0	0	86,143	86,143	87,287	87,287
Total Funding Costs	\$593,004.34	\$582,245	\$540,417	\$97,068	\$637,485	\$97,066	\$635,427

OVERVIEW

The Fiscal Control and Management Department is responsible for issuing state warrants and collecting bad debts. The Department has the responsibility for processing and recording all state warrants including duplicate, emergency, cancelled and stale dated warrants. This department issues and records over 1,601,046 warrants annually. The Bad Debts Division collects debts owed to the state. This program was transferred to the State Auditor's Office from the Department of Revenue in mid fiscal year 1990. The bad debt project employs an offset system to withhold certain payments to individuals that have an outstanding debt with the state. The Fiscal Control and Management Division also handles agency mail and storage areas.

Goals

- o To ensure that warrants are processed rapidly, accurately and fully accounted for.
- o To continue the implementation of rapid, automated systems to provide state payments.
- o To expand the role of the bad debt collection process including adding systems and personnel to collect additional funds to establish this division as a proprietary fund and eliminate the need for general fund support.

STATE AUDITOR

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FISCAL CONTROL AND MANAGEMENT

- o To attain adequate funding to provide for a six per cent annual increase in warrants processed and postage increases for mailing warrants.

Authorization

Article 6	Constitution of Montana
MCA Title 2 Chapter 16	Public Officers
MCA Title 17	Duties of the State Auditor
MCA Title 17 Chapter 4	Debt Collection
MCA Title 17 Chapter 8	Warrants
Part 3	

Base Program

The Fiscal Control and Management Department is organized into three divisions.

Warrant Writing Division. Process payments for the State of Montana.

Bad Debt Collection Division. Collect debts for the State of Montana after they are determined uncollectible by individual agencies. Debts collected less necessary fees are returned to the original agency.

Mail Division. Process mail, large storage and item transportation for the agency.

The warrant system processes over 1,600,000 warrants annually. The Bad Debts Division currently collects \$600,000 to \$700,000 annually. This project could accept more debts and collect more funds with division expansion.

Base Funding

A funding change is proposed for fiscal year 1992 and beyond. The Bad Debts Division will be established as a proprietary fund under an internal service fund format. This will reduce general fund support by \$80,000 annually. Currently Fiscal Control and Management is funded entirely by the general fund. With the implementation of an internal service fund, the Bad Debts Division will hold a percentage of debts collected to support the program. This fund will not require additional funding for government agencies using the service due to the fact debts are written off prior to being submitted for collection. Funds collected less a percentage for division operations will be returned to the agencies.

Performance Indicators

	FY90	FY91	FY92	FY93
Warrants Processed	1,510,421	*1,601,046	1,697,108	1,798,934
Duplicate warrant	1,100	1,200	1,300	1,400
Cancelled warrants	12,000	12,500	13,000	13,500
Debts Transferred in	\$5,643,040	\$6,207,344	\$6,828,078	\$7,510,885
Debts collected	\$ 751,061	\$ 826,167	\$ 908,784	\$ 999,662

Any expansion in the Bad Debts Division will be offset proportionately by an increase in collections.

*May be higher, data for the first one half of FY91 indicates a 16% increase in warrants processed.

INCREASES

A. Changes in funding for Bad Debts Division. Current budget figures reflect an increase in proprietary funds of \$86,143 in FY92 and \$87,287 in FY93 and an offsetting decrease in general fund. This change in funding is due to establishing the Bad Debts Division at current level as an internal service fund.

FY 92	FY 93
\$86,143	\$87,287

PROPRIETARY FUND

B. Base budget figures are increased by \$96,500 in FY92 and 93 due to a lack of funding for warrant writing system charges from the Information Services Division of the Department of Administration. During the previous legislative session it was not possible to project the cost of operating an updated warrant writing system. A special appropriation of \$82,500 was established for FY 90 and 91 to pay for I.S.D. system support. Actual costs to operate the warrant writing system in FY 90 were \$160,423, therefore a transfer of \$77,923 from FY90 to FY91 was necessary to pay I.S.D. charges. This transfer left a balance of \$4,577, in the FY 1991 appropriation for system support charges. This office has requested supplemental funding of \$164,249 to meet projected FY 1991 expenditures for D of A charges.

FY 92	FY 93
\$56,500	\$96,500

The current budget figures reflect \$124,493 and \$122,451, available for I.S.D. charges in FY 92 and 93 respectively. The figures are based on a projected decrease in I.S.D. costs in the next biennium. At current rates, we project these rates at \$177,497, and \$186,372 for FY 92 and 93 respectively.

Other Budget Issues.

The Fiscal Control and Management Department is severely underfunded in primary areas of the warrant writing system. In addition to a lack of funding for system support shortages in funding of postage for updated machines, and supplies and materials is evident.

A. Warrant System postage requested increase of \$57,555 for FY92 and \$67,250 for FY93.

The State Auditor's Office, Fiscal Management and Control Department is responsible for the overall control and operation of warrant processing which involves all claims made on the State Treasury for the payment of state funds. In fiscal year 1989, the warrant system processed 1.4 million warrants worth 1.5 billion dollars.

The Fiscal Management and Control Division is responsible for distribution of all state warrants. Distribution of warrants is accomplished by using the U.S. Postal Service. The State Auditor's Office uses a zip sorting process that allows us to take advantage of a presort rate on warrants that meet established requirements.

In April of 1988, the Post Office increased the first class postal rate from \$.22 to \$.25 per piece and increased the presort rate from \$.18 to \$.21 per piece. After analyzing the number of warrants written in the first six months of fiscal year 1990, 5% was used to calculate the postage costs for fiscal year 92 and 93. The warrant system has two factors that should be considered. Any increase in the number of warrants written each year and any postal rate increase that may take affect. We do not have any control over these factors and have estimated the percentage.

Part of the increase may be attributable to the following: the postal rate increase, an increase in the number of warrants written by all of state government and absorbing the warrant writing previously done by the State Worker's Compensation Division.

These estimates would not take into consideration any future rate increases by the U.S. Post Office. The actual dollars expended in Fiscal Management and Control Department for postage in Fiscal Year 1989 was \$169,558.

	<u>Appropriation</u>	<u>Actual Warrant System Postage (est. 91-92-93)</u>
FY90	142,396.00	185,71.04 (42,975)
FY91	*139,370.00 (13,000 Transfer)	215,521.74 (89,151)
FY92	167,244.00	224,799.39 (57,555)
FY93	167,244.00	234,494.53 (67,250)

Includes:

*13,000 Transfer from FY91 to FY90 not subtracted. Budget supplement request for FY91 is \$89,151 \$215,521 - 126,370 = \$89,151.

Number of Warrants Processed

<u>Year</u>	
1971	675,416
1972	667,232
1973	780,486
1974	879,064
1975	1,061,187
1976	1,131,989
1977	1,203,724
1978	1,243,400
1979	1,238,155
1980	1,510,252
1981	1,531,899
1982	1,512,314
1983	1,358,633
1984	1,408,638
1985	1,367,729
1986	1,398,094
1987	1,344,060
1988	1,422,905
1989	1,424,926
B.	Maintenance Costs

The State Auditor's Office, Fiscal Management and control Department is responsible for the overall control and operation of warrant processing which involves all claims made on the State Treasury for the payment of state funds. The Division is also responsible for processing of the state payroll warrants, processing of the Department of Social and Rehabilitation Services Aid for Dependent Children, Medicaid, and database warrants, processing of the University of Montana payroll warrants, and processing of the State University payroll warrants. In fiscal year 1990 the warrant system processed 1.5 million warrants worth 1.3 billion dollars.

In the 1987 legislative session one staff person was removed from the Fiscal Management and Control Department budget and in the 1989 legislative session two employees were removed from the budget. This reduction in personnel is related to the automation of the warrant writing system. The state warrant system is a critical system in state government and totally dependent upon the different types of equipment used to process warrants. Breakdown of equipment would completely stop all processing of state warrants. This request is based on actual amounts of maintenance contracts for warrant writing system equipment.

Equipment

	<u>FY92</u>	<u>FY93</u>
Unisys software	792.00	840.00
Unisys Hardware	6,400,006,700.00	
I.B.M. 4224 Printer	235.00	246.00
Microfilm Reader/Printer	2,038.00	2,140.00
Microfilmer w/feeder & filmer	2,038.00	2,140.00
Simplex Time Machines	255.00	265.00
Moore Imprinter-detacher # 3610	1,874.00	1,948.00
Moore Speedisealer # 4610	1,613.00	1,677.00
I.B.M. Typewriters	216.00	225.00
P.B. Postage Machine	624.00	648.00
P.B. Mail Machine & Power Stacker	836.00	869.00
Personnel Computers & Printers	<u>1,740.00</u>	<u>1,740.00</u>
Total Equipment Maintenance	17,123.00	17,823.00

Current Funding for Maintenance

13,133 13,133

Cost Estimate

17,123 17,823Additional Maintenance Funding
Needed for FY92 - 93

3,990 4,690

This request is based on actual amounts of maintenance contracts for the warrant writing equipment.

C. Supplies and Materials Costs

The State Auditor's Office, Fiscal Management and Control Department is responsible for the overall control and operation of warrant processing which involves all claims made on the State Treasury for the payment of state funds. The Division is also responsible for processing of the state payroll warrants, processing of the Department of Social and Rehabilitation Services Aid for Dependent Children, Medicaid, and database warrants, processing of the University of Montana payroll warrants, and processing of the State University payroll warrants. In fiscal year 1990, the warrant system processed 1.5 million warrants worth 1.3 billion dollars.

In the 1987 legislative session one staff person was removed from the Fiscal Management and Control Department budget and in the 1989

legislative session two employees were removed from the budget. This reduction in personnel is related to the automation of the warrant writing system. Automation of this system is dependent upon the new types of forms used in the processing that require no human intervention. Automation of this system is also dependent upon the processing of cashed warrants through the Unisys document processor. When the 1991 biennium budget was compiled, we did not have any historical data to base our supplies and materials estimates. These areas were not budgeted correctly. This modified request is an attempt to correct this situation using actual expenses incurred in fiscal year 1990.

	<u>FY92</u>	<u>FY93</u>
Photo & Reproduction	840	857
Forms/non-state provider	41,820	42,656
Printing	3,060	3,124
Forms/Central Stores	31	32
Fine Paper/Central Stores	612	624
Office Supplies	<u>3,774</u>	<u>3,849</u>
Total supplies	50,137	51,142

Replacement of two Simplex Time Recorders

Simplex Time Recorders are used in the State Auditor's Office to record the date and time on all incoming mail. This equipment is also used in the process for tracking 30 million dollars in checks that the State Auditor's Office receives on an annual basis.

Machine # 1 is 27 years old. Machine # 2 is 14 years old.

Cost per machine is \$387 x 2 = \$774.

Replacement of Pitney Bowes 6100 Postage Meter Machine

This machine was purchased in June of 1982. Vendor suggests replacement of a machine anywhere from 1,000,000 to 3,000,000 impressions. Major problems may develop after this many impressions. This machine has 4,397,449 impressions. Replacement cost is \$5,782.

Updating of warrant and register retrieval and archiving section.

The State Auditor's Office is responsible for microfilming cashed warrants and registers and maintaining this permanent record. These records date back to 1962. When requested the State Auditor's Office must be able to retrieve and produce copies of all cashed state warrants and cancelled warrants. Agencies and the public request copies of cashed warrants and rely on our ability to produce a clear copy of the microfilmed warrant. These copies are periodically used in legal proceedings.

Currently we are using a 3M Reader-Printer that is over 10 years old. Due to the age and technology of the machine, it is necessary to manually scan the microfilm for warrants. The 3M Reader-Printer uses dry silver paper and the copies are not sharp and clear. It is often difficult to obtain a good copy of an endorsement.

The proposed Kodak IMT-350 uses standard copy paper which produces sharp clear copies at a cost of \$.04 a copy compared to the dry silver paper that costs \$.13 a copy. Currently we are taking approximately 3,000 copies annually but with the new system we will increase this to 9,000 copies. This increase is related to the change in the cashed warrant system that utilizes the filmed warrants in place of the actual forms. The IMT-350 utilizes the indexing marks put on the film by the document processor to auto search the microfilm and automatically take copies. Up to 100 items can be keyed into memory for an automatic scan.

	<u>FY92</u>	<u>FY93</u>
Current funding for supplies and materials	40,572	40,595
Cost Estimate	<u>50,137</u>	<u>51,142</u>
Additional funding for supplies and materials needed for FY92 - 93	9,565	10,547

D. Warrant System Equipment

The State Auditor's Office, Fiscal Management and Control Department is responsible for the overall control and operation of warrant processing which involves all claims made on the State Treasury for the payment of state funds. The Division is also responsible for processing of the state payroll warrants, processing of the Department of Social and Rehabilitation Services Aid for Dependent Children, Medicaid, and database warrants, processing of the University of Montana payroll warrants, and processing of the Montana State University payroll warrants. In fiscal year 1990 the warrant system processed 1.5 million warrants worth 1.3 billion dollars.

In the 1987 legislative session, one staff person was removed from the Fiscal Management and Control Department budget and in the 1989 legislative session, two employees were removed from the budget. This reduction in personnel is related to the automation of the warrant writing system. During the 1989 legislative session partial funding for the replacement and addition of some pieces of equipment was accomplished. This request is the next step in replacing outdated equipment and updating the retrieval and archiving section of the state warrant writing system. The State warrant system is a critical application in state government and totally dependent upon the different types of equipment used to process warrants. It is important that maintenance and replacement of this equipment is done on a timely basis.

Replacement of the Moore 3610 Imprinter-Detacher

This piece of equipment was purchased in March of 1980 and has 770 stop and start running hours. It is used daily for processing warrants and has a high potential for breakdowns. New improvements have been made on the machine in the past 10 years which will improve efficiency in the mailroom. Replacement cost is \$16,471.

The proposed Kodak IMT-350 is the next step in automation, using the technology made available by the Unisys S4000/20 Document Processor now used in the cashed warrant processing.

Cost of equipment \$19,300 in FY92, includes \$1,800 maintenance. Cost in FY 93 is \$1,800 for maintenance.

E. The Bad Debt Collection is a program created for the purpose of the centralization of all debts owing to the State of Montana such as: Child support payments, Employment Security Division benefit overpayments, Defense Student Loan defaults from the University System, and welfare and food stamp fraud from the Department of Social and Rehabilitation Services. The Bad Debt Program provides a collection service for an estimated 75 million in debts owed to the State of Montana.

The current software that the Bad Debt Section uses to provide this service to State government and the university system has been discontinued by the manufacturer and is not supported by the State. At the time of implementation, it was the only accounts receivable software package that could be adapted to this program.

The current software tracks and records debts referred for collection, payments received, offsets or out-going state payments that have been matched against a bad debt and the return of funds to State agencies and the university system. The software produces all reports such as: accounts receivable listing, alphabetical listing of all debtors and an agency listing, the system also provides a write-off report (listing of accounts that are not collectible and are being deleted from the database) that is sent to the State Legislature each biennium.

The system is at four times the capacity it was when put into production in 1984. The projected increase in bad debts if current trends continue could be three times as many records in 1994 as in 1990. Any problems with the software would mean that all processing would stop in the section.

The new system would be written with software supported by agency data processing personnel. All backup, program changes, and rewrites can be properly maintained and documented. The software currently in place cannot be accessed for needed management reports and with the increased collections, increase in receivables and increase in use by state agencies, there is a need for reports that show the users of the system the effectiveness of the bad debts system and the status of their accounts.

Projected costs:

250 hours program time @ \$17 hour = \$4,250.00.

DEPARTMENT OF JUSTICE

CRIME CONTROL DIVISION

BUDGET NARRATIVE



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CRIME CONTROL DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended
Full Time Equivalent Employees	16,00	16,00	16,00	2,00	16,00	2,00
Personal Services	449,102.16	503,604	482,400	53,719	482,019	53,599
Operating Expenses	155,581.65	153,076	169,086	47,979	170,038	53,119
Equipment	3,659.58	0	0	14,297	0	6,085
Grants	1,907,257.62	2,816,992	2,133,500	1,127,218	2,133,500	1,154,218
Benefits and Claims	343,390.05	375,000	375,000	0	375,000	0
Total Agency Costs	\$2,858,991.06	\$3,848,672	\$3,159,986	\$1,243,213	\$3,160,557	\$1,267,021
General Fund	409,614.84	448,480	447,359	36,001	447,930	62,946
State Special Revenue Fund	281,503.94	433,665	433,665	29,236	433,665	26,099
Federal Special Revenue Fund	2,167,872.28	2,966,527	2,278,962	1,177,976	2,278,962	1,177,976
Total Funding Costs	\$2,858,991.06	\$3,848,672	\$3,159,986	\$1,243,213	\$3,160,557	\$1,267,021
Justice System Support Service	2,858,991.06	3,848,672	3,159,986	1,243,213	3,160,557	1,267,021
Total Program Costs	\$2,858,991.06	\$3,848,672	\$3,159,986	\$1,243,213	\$3,160,557	\$1,267,021

MISSION and GENERAL DESCRIPTION.

The mission of the Board of Crime Control as the state justice planning agency since 1968 is to **promote public safety by strengthening the coordination and performance of the criminal and juvenile justice system by increasing citizen and public official support and involvement in criminal justice.**

The 18 member Supervisory Board appointed by the Governor is created under Section 2-15-2006 MCA and is necessary to the implementation of several sections of MCA as well as several sections of the Omnibus Crime Control and Safe Streets Act. These functions relate to Peace Officer Standards and Training, employment standards, victim's compensation, drug tax, jails, technical assistance, anti-drug abuse, drug free schools and communities, victim's assistance, juvenile justice and delinquency prevention, and crime reporting. In order to assure citizen and public official involvement as well as

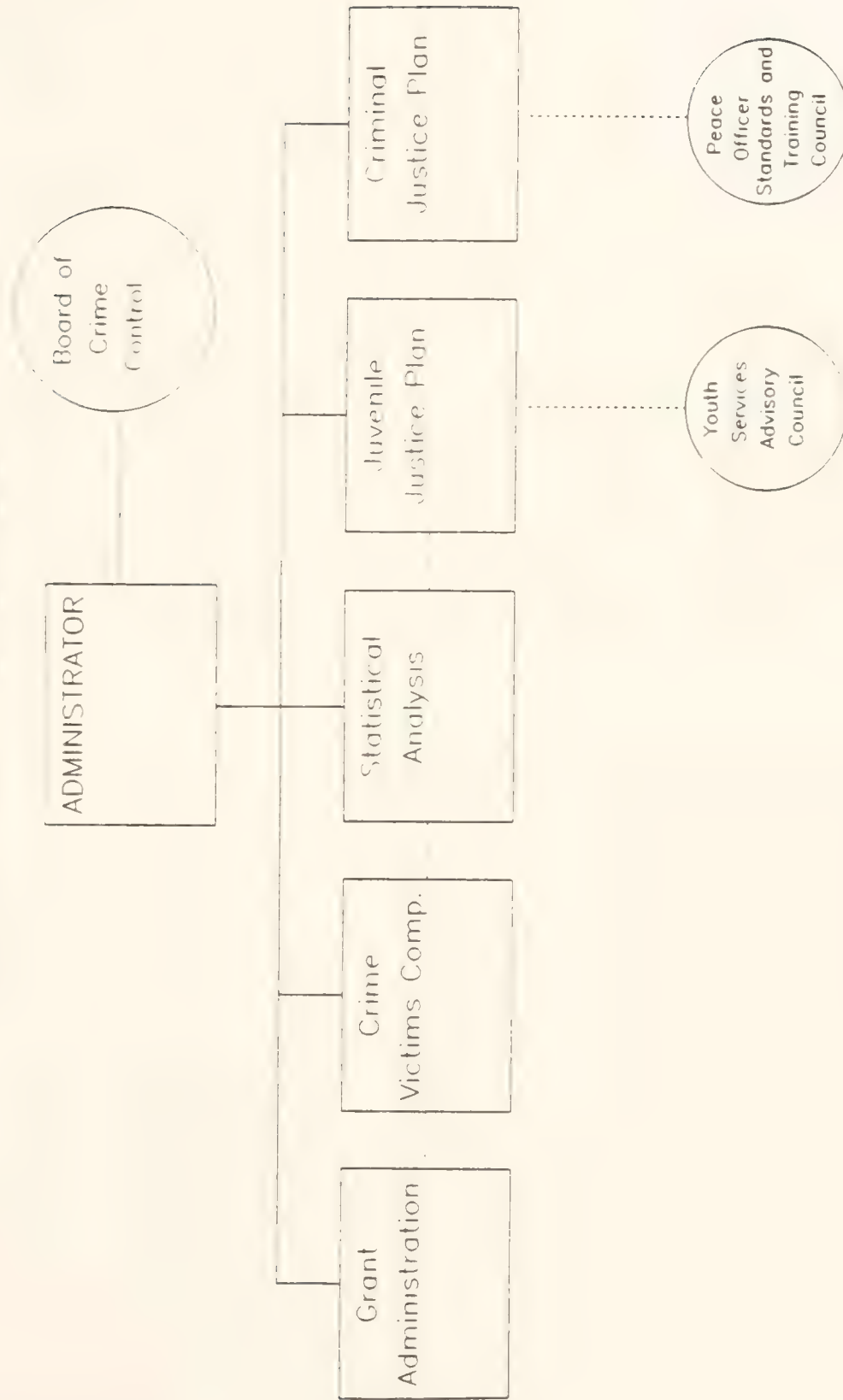
comprehensiveness in planning and equitable consideration for federal funds, the membership of the Board represents a broad spectrum of justice agencies, the public, executives and Legislators.

The agency consists of the Supervisory Board, subsidiary advisory councils for Peace Officer Standards and Training (POST), the Youth Services Advisory Council (YSAC), and staff for agency activities. On July 1, 1987, the Crime Victims Compensation Unit (CVU) was transferred to the division from the Department of Labor and Industry. The division is currently experiencing change and impact from significant increases in federal programs. The implementation of the National Drug Control Strategy is being waged through the Board of Crime Control. Large increases in federal anti-drug abuse funding for state and local assistance as well as in the Drug Free Schools and Communities Act have occurred. Many of the funds are being used to initiate and implement the highly respected Project

DARE in fifth and sixth grade classes in Montana. In a similar manner, the federal Victim's of Crime Act which funds assistance programs for victims of crimes against persons (not victim's compensation), recently reached its cap. Montana's portion of these funds increased. Federal funding for juvenile justice under the Juvenile Justice and Delinquency Prevention Act increased in FY91 as well. Finally, the purposes of the Justice Assistance Act have been incorporated into the Anti-Drug Abuse Act and, thus, this grant source is closed out. It is important to note that almost all of these funds must be passed through via grants and some allow no administrative costs.

The agency supports the Peace Officer Standards and Training Council which establishes minimum employment and certification standards for peace and detention officers. In addition, the agency acts as the state Statistical Analysis Center for adult and juvenile crime statistics. Compensation to victims of crime is carried out by the division (direct payments for victims of violent crime) from state special revenue. The Youth Services Advisory Council, (YSAC), created under Executive Order 13-89, advises not only the Governor, but also acts in an advisory capacity to the Department of Family Services. A portion of funds collected from drug tax under 15-25-122 MCA are administered by the division and YSAC. Multiple other activities of the division support technical assistance to justice agencies for specialized problems (such as city/county consolidation of law enforcement services), crime prevention/crime stoppers, study of jail issues and jail standards, and maintenance of information on privatization of jails/prisons pursuant to 7-32-2233

Crime Control Division



AGENCY ORGANIZATION

Justice System Support Services the single program for the agency, the functions of which are implemented through the simple hierarchical structure illustrated in the organization chart. There is much interplay and crossover between the components shown on the chart as functions are not necessarily unique nor isolated organizational units. For example, anti-drug abuse efforts require input from all components. The Board is administratively attached to the Department of Justice pursuant to 2-15-2006 MCA, hires its own staff, and provides broad guidance. The Board promulgates and adopts rules (regarding POST, detention officers, and crime victim's compensation). The Board makes final decisions regarding award of sub-grants for federal funds. As shown on the chart, two advisory councils provide specialized functions for the Board in the areas of juvenile justice via the Youth Services Advisory Council (YSAC) and the POST Council. The YSAC is a required part of the federal act.

Since the agency is a single program entity, for clarity and presentation, the nature of the organization is described in five functional areas supervised by the administrator. Within this administrative function, all the resources of the Board and staff are used to provide specialized services (technical assistance), specialized training and to respond to unique requests for assistance and guidance. In addition to administrative functions, the five functional areas described are:

1. The Grants Administration-Support Services.
2. The Crime Victim's Unit (CVU).
3. The Statistical Analysis Center (SAC).
4. The Juvenile Justice Planning functions.
5. The Criminal Justice Planning functions.

The overview which follows provides specific detail regarding these five functional areas and the administrative function.

OVERVIEW.

1. Grant Administration-Support Services.

The Grants Administration-Support Services component of the organization

provides support to all other components and is responsible for fiscal management of grants, benefits, agency operations, and personnel functions. It is responsible for budgeting and accounting for federal funds, general funds, and state special revenue.

2. Crime Victim Compensation Unit.

The Crime Victim's Unit (CVU) provides information to victims and is responsible for implementing Montana's Crime Victim Compensation Act to compensate innocent victims of crime from state special revenue funds.

3. Statistical Analysis Center.

The Statistical Analysis Center is responsible for data collection, data analysis, studies, and reporting of all juvenile and adult crime statistics for Montana and for reporting to the FBI.

4. Juvenile Justice Planning.

The Juvenile Justice Planning component is responsible for the implementation of the federal mandates of the Juvenile Justice and Delinquency Prevention Act and for improving juvenile justice services in the state.

5. Criminal Justice Planning.

The Criminal Justice Planning function is responsible for program implementation and coordination of several functions in criminal justice including POST and federal grant programs relating to anti-drug abuse and victim's assistance.

6. Administrative.

The Administrative function is responsible for translation of Board guidance into operable policies and programs to accomplish the Board's mission. The administrator also uses the resources of the Board and division staff to provide specialized services (technical assistance), specialized training and to respond to unique requests for assistance.

GOALS

Goals relating to each function are listed below.

1. Grant Administration-Support Services.

- * To accurately account for all funds administered by the division, to ensure compliance with state and federal regulations, and to ensure the grant policies and procedures established by the Board are followed.
- * To efficiently and effectively administer and monitor all federal block grants received by the division to attain maximum benefit to Montana.
- * To provide the Board with technical financial guidance so that they may make informed decisions regarding the award and distribution of federal monies.
- * To efficiently and effectively administer and monitor the financial aspects of all sub-grants awarded by the Board and to provide technical assistance to sub-grantees regarding finances.
- * To provide budgeting and accounting capability to the division.

2. Crime Victim Compensation Unit

- * To provide claim forms and information to innocent victims who are injured or to the families of innocent victims who are killed.
- * To award or deny claims in 45 days or less and to pay benefits within two weeks after an award.
- * To provide information about the program to other agencies who have contact with innocent victims so referrals may be made.
- * To maintain lists of service agencies so a referral of the innocent victim may be made to another agency where appropriate.

- * To provide training to persons who have contact with innocent victims so those persons may assist innocent victims in filing claims.
- * To provide information about the needs of innocent victims to victim advocates and victims assistance programs.

3. Statistical Analysis Center.

To establish, maintain and improve a Juvenile Probation Information System (JPIS) by:

- * Providing a basic automated case management record system for twenty Youth Court Judicial Districts.
- * Improving the administration of juvenile justice by enhancing the management capabilities of state and local policy makers.
- * Providing accurate information about the characteristics of youth held in detention and referred to Youth Courts for state and federal agencies.
- * Informing policy makers and the general public about the problem of juvenile delinquency.

To establish, maintain and improve the Montana Uniform Crime Reports (MUCR) by:

- * Improving management information for law enforcement.
- * Providing law enforcement agencies with accurate and timely summary crime statistics for administrative and operational use on a monthly basis.
- * Increasing public awareness, support, and involvement in the criminal justice system and to identify and warn the public about the potential risks of victimization.

- * Analyzing data for application for federal funds and evaluation of projects.
- * Publishing an annual Crime in Montana report.

4. Juvenile Justice Planning.

- * To improve the juvenile justice system by performing system analysis at the request of the governor, legislature, local and state advisory councils and professionals in the system.
- * To provide for delinquency prevention through the coordination of children and youth services and development of a continuum of care in Montana.
- * To remove all status offenders from secure institutions.
- * To remove all juveniles from adult jail facilities within the first 24 hours of their detention and provide for the secure detention of juveniles meeting M.C.A. criteria in juvenile facilities.
- * To ensure all juveniles being held in adult facilities are held in sight and sound separation from the adult inmates.

- * To plan for children and youth services utilizing the Youth Service Advisory Council.

5. Criminal Justice Planning.

- * To provide for the continuing certification of peace officers and detention officers in the various levels of certification.
- * To provide entry level written examinations and physical skills assessments for state and local law enforcement agencies.
- * To maintain registration of Montana's coroners.
- * To develop training goals for the Law Enforcement Academy.

CRIME CONTROL DIVISION

- * To develop a meaningful and operable statewide anti-drug strategy which reduces the demand for drugs in concert with the National Drug Control Plan.
 - * To oversee federal victim assistance program funds.
 - * To target programs for drug abuse prevention/education toward high risk youth.
 - * To provide support services and coordination of division resources to promote public safety.
- #### 6. Administrative
- * To provide all policy direction to the division.
 - * To arrange/coordinate responses to specialized service requests (technical assistance) or for special training needs of criminal justice agencies throughout the State of Montana.

AUTHORIZATIONS

1. 2-15-2006 MCA - Creates the Board.
2. 44-4-301 MCA - Defines Board functions.
3. 53-9-101 et seq., MCA - The Crime Victims Compensation Act of Montana
4. 3-10-601 (4) (f), MCA - Collection and disposition of fines, penalties, forfeitures, and fees
5. 42 USC 5601 - Juvenile Justice and Delinquency Prevention Act of 1974. (JJ&DP)
6. Governors Executive Order 13-89 - Authorizes the agency to implement the JJ&DP Act.
7. 7-32-303, MCA - Establishes peace officer employment, education and certification standards administered by the division.
8. Executive Order 22-87 - Establishes the POST Council.

9. 42 USC 4760 et seq. - Anti-Drug Abuse Act.
10. 42 USC 10601 et seq. - Victims of Crime Act.
11. 5 USC 5101 et seq. - Drug Free Schools and Communities Act.

BASE PROGRAM

The base program for each of the five areas are below:

1. Grant Administration-Support Services.

The Grant Administration-Support Services is responsible for all of the administration, management, coordination, and performance of fiscal activities for the division which includes division accounting, sub-grant accounting, and agency operations accounting.

Division accounting is responsible to assist the administrator in preparing and monitoring the division's overall budget, directing the activities of the other two accounting functions, acting as the primary fiscal liaison to the federal grantor agencies and providing technical fiscal assistance to program managers and sub-grantees. Division accounting is responsible for general funds, state special revenue funds, federal special revenue funds, and state and local government matching funds.

Sub-grant accounting provides fiscal administration of the sub-grant program for the division. The number of active sub-grants ranges between 60 to 130 depending on the funding cycle. Financial data must be recorded on a grant management information system as SBAS is not structured to accommodate the recording of the information required by federal regulations. Quarterly financial reports are reviewed to verify budget and expenditure items. In addition to the quarterly reports the sub-grant must be audited upon completion and the audit reviewed. The sub-grant accounting function also includes structuring, maintaining, updating and reconciling all agency accounts on SBAS. This function also includes developing and providing maintenance support for automated and manual accounting systems and sub-grant operations.

Agency operations accounting provides central accounting services for agency operations. This function is responsible for reviewing agency invoices, coding claims for payment to the appropriate centers, preparing and processing all preparing and processing federal drawdowns, preparing and processing all agency payroll documents, and preparing and maintaining all personnel documents. Additionally this function monitors and prepares payments for all travel expenses incurred by the Board, POST Council, Youth Services Advisory Council, and staff. This function also provides for the maintenance of a Grant Management Information System on the main frame computer and for the control and maintenance of a Property Accountability Management System.

2. Crime Victim Compensation Unit.

The Crime Victims Unit is responsible for disseminating information about the Crime Victims Compensation Act to innocent victims who are injured as a direct result of a crime or to the families of victims who are killed. The Unit processes claims, pays benefits and provides assistance to innocent victims of crime. Benefits are for medical expenses, wage loss compensation and funeral expenses. Benefits for mental health counseling may also be paid to parents, spouse, children or siblings of a homicide victim or parents, siblings of a sexually abused minor when someone has been charged with a sexual crime.

A file is created and a claim form and pamphlet is sent to the innocent victim. Follow-up letters are sent if the victim does not file a claim. When claims are filed, the claim is verified by requesting information from law enforcement, medical providers, employers or any other person who has relevant information. If an award is made, notification is sent to the claimant, law enforcement and county attorneys. Restitution from offenders is requested. Medical bills and information about collateral sources is obtained and payment authorized to the claimant or provider, if the bill is unpaid. If a claim is denied, the claimant is notified of the denial and how to request an informal hearing. Law enforcement, prosecutors and medical providers are also notified. In FY90, 434 primary claims were filed, up 25% from FY89. In FY90, 261 claims were awarded, up 30% over FY89. The Unit also provides training for law enforcement and others about the program.

3. Statistical Analysis Center.

Both juvenile and adult crime data are used by the center. The Juvenile Probation Information System is Montana's only statewide data collection system for Youth Courts. Data forms on each juvenile and each referral are completed by probation personnel during the processing of the youth. These forms are sent to the division monthly. The forms are edited and entered into the main frame computer. Reports are sent to the respective probation offices describing the nature and extent of their activities. Statewide totals are generated for use by the division in documenting compliance with the OJJ&DP Act. These reports are also used for the development of an annual publication, and in special research projects affecting juvenile justice policy issues. Efforts are underway to convert from a batch system to a micro computer based system.

Montana Uniform Crime Reports (MUCR) is the only central depository of all adult criminal incidence and arrest data in the state. Ninety percent of the law enforcement agencies in the state (covering more than 95% of the state's population) send the program information about every reported crime they encounter and every arrest they make. MUCR edits this information, summarizes it, reports the summaries to the originating agencies, transmits edited data to the FBI, and conducts selected analyses using the data on specific crimes in Montana. This data is necessary for participation in anti-drug abuse efforts and for justice planning. Modernization of the system by the FBI is in progress.

4. Juvenile Justice Planning.

The Juvenile Justice and Delinquency Prevention function is responsible for writing, every three years, an analysis of Montana juvenile crime activity and a plan for addressing the problems identified. The plan, which is updated annually, is submitted with an application for funding the implementation to OJJDP. A minimum of 66 2/3% of the funds received through this program are passed through to units of local government and local non-profit organizations who propose to address the mandates of the act and the goals of the three year plan on a local or state basis. Annual performance reporting on the grant program is required to the OJJDP indicating the level of compliance with the mandates as well as an annual assessment of the level of compliance of Montana's jails in

not holding juveniles and/or holding them in separation from adults. The plan and application are written with the input and approval of the Youth Services Advisory Council with consideration of the entire children and youth service system needs. The unit is responsible for grants to Youth Courts for funds collected through the drug tax (15-25-122 MCA), although none have been due to court appeals of the tax.

5. Criminal Justice Planning.

This function actually involves several parts which include POST and federal grants other than juvenile justice. The POST Council meets quarterly to consider law enforcement training issues and to act on the certification applications of law enforcement and detention officers.

Staff performs the functions of analyzing certification eligibility of peace officers, detention officers, training schools, and instructors. Staff maintains files on all coroners and deputy coroners certified by the Attorney General, and also maintains files on railroad special agents who are sworn, commissioned special officers by the Attorney General. Staff maintains personnel files on approximately 3,000 individuals who are associated with these programs. Staff has developed entry-level written and physical agility tests and provides these to state and local law enforcement agencies for the selection of their officers. All personnel files and test results are maintained in a computer data base. Names are added to the peace officers files at the rate of 6 percent in the past several years. This is expected to rise to about 10 percent in 1990, due to a large number of retirements in state and local agencies in 1988 and 1989. Certifications issued in 1989 were 10 percent more than in 1988. This is expected to increase by 15 percent in 1990 over 1989. The Detention Officer certification program became effective December 8, 1989. About 120 out of a total of 230 detention officers are expected to be certified in 1990.

The anti-drug abuse functions supplies the resources to assist the Board of Crime Control and the Drug Strategy Committee in a four fold process:

1. The writing of the Montana Drug Strategy.
2. The application for Anti-Drug Abuse Act funds.

3. The awarding of drug grants to units of the State and local governments.
4. The monitoring of those grants to their conclusion.

Because the federal allocation to Montana under the Anti-Drug Abuse Act has significantly increased as we continue to fight the war against drugs, the division has included a budget modification to reflect these increases. The additional information on the anti-drug abuse function is contained in two modified level requests: one for increases in the Anti-Drug Abuse Act, and one for increases in the Drug Free Schools and Communities Act. These modified level requests are described in detail later.

The anti-drug abuse function serves to establish programs statewide which implement Montana's anti-drug strategy. These programs generally include undercover operations, treatment programs, and the highly successful Project DARE for children. This is done in close cooperation with the Office of Public Instruction.

The victim's assistance activity within the division is to oversee the federal Victim's of Crime Assistance Act. The division administers the funds and grants to the public agencies and local non-profit programs in Montana offering services to victims of domestic abuse, sexual assault and child abuse. The purpose of this activity is to make proper application of Montana's allocation of VOCA funds and ensure the distribution of the money in compliance with federal guidelines. A modified level request is also prepared relating to this function for two reasons: 1) the fund has increased, and 2) no funds from the federal act may be used to administer it.

Within the Drug Free Schools and Communities Act, the division provides for the distribution of federal grants to local communities for drug abuse prevention efforts. Staff performs the functions of: 1) federal-state coordination including all application and reporting requirements; 2) special assistance to communities through public awareness, training, and instruction to compete in the grant process; 3) assistance to the Board of Crime Control to evaluate and award subgrants; 4) program monitor and evaluation functions; 5) long-range planning for fund distribution; 6) collaboration and cooperation with the companion

program through the Office of Public Instruction to eliminate duplication and enhance program functions. A modified request also relates to this function.

The function is to effectively manage funds provided to the state and administered on the federal level by the Department of Education. This component requires administrative and fiscal support to establish funding priorities, review and recommend subgrants for award, evaluate and monitor program effectiveness and coordinate program functions with related local, state and federal agencies. Currently most of this program supports Project DARE.

6. Administrative.

The administrative function provides the administrative guidance for the agency. As a portion of that function, resources in all of the other component parts are marshalled to: 1) achieve the goals listed for each component and 2) respond to various requests for specialized services or training needs.

The specialized services vary with changing needs within the justice system. Some are short-term projects, such as an analysis of the manpower needs in a small police department; others are of greater complexity such as an analysis of CAD (Computer Aided Dispatch) and automation in a very large agency. A small library of video material is made available for loan on multiple topics, particularly crime prevention, child abuse and sex abuse. The function also responds to requests from the Legislative Council to help support efforts of Interim Committees, such as the Adult and Juvenile Detention study.

BASE FUNDING

The base funding for these functions are described below.

1. Grant Administration-Support Services.

Operations in this unit are mostly general funded. Some clerical assistance for the unit is funded through the federal anti-drug abuse program. Since the federal block grants we administer have a duration that spans two or more state fiscal years, it is very important that language be inserted in the legislative bill

that permits continuing appropriation authority for the pass through funds to continue from the last year of the biennium into the next biennium (example from FY91 to FY92-93). This enables all revenue and expenditure information for each particular block grant to be tracked in total on SBAS for state and federal reporting purposes. Also it maximizes the opportunity to utilize the funds for awarding sub-grants without disrupting the funding for ongoing projects.

2. Crime Victims Compensation Unit.

The CVU is funded entirely from State Special Revenues. These funds are derived from collections of fines, penalties, and forfeitures under 3-10-601 MCA.

3. Statistical Analysis Center.

MUCR is general funded. JPIS is funded through the Juvenile Justice and Delinquency Prevention Act.

4. Juvenile Justice Planning.

Juvenile Justice Planning is funded through the Juvenile Justice and Delinquency Prevention Act and through general fund provided for the required matching funds. Special revenue funds comprise the drug tax.

5. Criminal Justice Planning.

POST functions are entirely general funded.

Anti-drug abuse functions are funded through the federal act. The act requires a hard match of 25%. Five percent of the state's allocation may be used for administration, but the funds must also be cash matched.

Victim Assistance functions are funded by federal fines and penalties, but 100% of funds must be used for direct victims services. In kind match is allowable. None of these funds may be used for administration.

Drug prevention/education functions of the Drug Free Schools and Communities Act are funded from federal sources. No match is required. Funds for administration are limited to 2% of the allocation

6. Administrative.

The administrative function is funded by general fund.

The specialized support services provided by the administrator are funded through a combination of general fund and fees charged for training and technical assistance. Estimates of revenue generated from fees are projected at approximately \$25,000 a year.

PERFORMANCE INDICATORS

Performance indicators for the base functions are presented in the tables below for each function.

1. Grant Administration-Support Services.	<u>FY90 ACTUAL</u>	<u>FY91 ENACTED</u>	<u>FY92 BASE</u>	<u>FY93 BASE</u>
Pass Through Dollars To State and Local Agencies	1,845,674	2,133,500	3,260,718	3,287,718
Federal Grant Applications Prepared and Submitted	5	5	5	5
Federal Block Grants Ongoing Administration	12	12	12	12
Financial Status Reports Completed (H-1)	68	68	68	68
Federal Reconciliations Completed - Receipts, Awards, Disbursements	68	68	68	68
Subgrant Applications Received and Reviewed	100	100	120-140	120-140
Applications Awarded (Approx. 70%)	70	70	84-98	84-98
Quarterly Reports Reviewed	350	350	420-490	420-490
Audit Reports Reviewed	70	70	84-98	84-98
Sub-Grantee Assistance Consultations	840	840	1,000	1,000

	<u>FY90 ACTUAL</u>	<u>FY91 ENACTED</u>	<u>FY92 BASE</u>	<u>FY93 BASE</u>
Sub-Grant On-Site Monitoring	20	20	25	25
SBAS Documents Processed	828	900	900	900
Federal Drawdowns Processed	32	32	35	35
Payrolls Processed	26	26	26	26
Travel Claims Processed	240	240	250	250
2. Crime Victim Compensation Unit.				
Victim Files	487	400-450	425-450	425-450
Victim Claims	434	375-400	375-400	375-400
Decisions	433	391	391	391
S. Victim Files	56	60	60	60
S. Victim Claims	56	60	60	60
Decisions	52	40-50	60	60
Decision Time:				
Primary victims	56 days	50 days	50 days	50 days
Secondary victims	74 days	76 days	76 days	76 days
Benefits to victims	\$343,393	\$375,000	\$375,000	\$375,000
Training Sessions	4 to 7	4 to 7	4 to 7	4 to 7
Speaking engagements	5 to 10	5 to 10	5 to 10	5 to 10
News media	3	3	3	3

3. Statistical Analysis Center.

MUCR:

Number of offense & arrest records edited & processed per year

Number of Annual Reports
(Crime in Montana) written

Number of special reports
written and distributed

Number of special surveys
conducted (including the
Annual Law Enforcement
Manpower Survey)

Number of calls in response
to special requests for
specific data and information

Number of MIS Reports sent to
participating agencies per month

Number of Law Enforcement
agencies participating

JPIS:

Referrals Processed
Judicial Districts Participating
Reports Generated
Jail Monitoring Report
Annual Report
Special Data Requests

	<u>FY90 ACTUAL</u>	<u>FY91 ENACTED</u>	<u>FY92 BASE</u>	<u>FY93 BASE</u>
	142,000	142,000	150,000	150,000
	1	1	1	1
	1	4	6	6
	1	1	3	3
	150	175	175	180
	91	91	100	100
	84	85	90	92
	7,113	7,113	7,300	7,400
	18	18	20	20
	1,628	1,628	1,628	1,628
	1	1	1	1
	1	1	1	1
	100	100	100	100

	<u>FY90 ACTUAL</u>	<u>FY91 ENACTED</u>	<u>FY92 BASE</u>	<u>FY93 BASE</u>
4. Juvenile Justice Planning.				
Community Based Programs Supported	14	14	14	14
Special Study	4	4	4	4
Develop Jud. Dist. Detention Plans	20	20	20	20
Training of Councils	1/Yr	1	1	1
Youth Served Through Funded Programs	2,426	2,426	2,426	2,426
Number of Youth Detained Delinquent Status	200 50	200 50	190 45	185 40
5. Criminal Justice Planning.				
POST:				
Certificate Applications Processed	273	300	300	363
Certificates Issued	199	200	220	275
Calls For Legal/Professional Assistance Advise and Consultation Information	1,560 2,080	1,888 2,200	2,077 2,516	2,100 2,768
Clerical Hours				
Typing	200	220	242	266
Data Entry and Filing	500	550	605	666
Auditing Data Files	200	200	200	200

	<u>FY90 ACTUAL</u>	<u>FY91 ENACTED</u>	<u>FY92 BASE</u>	<u>FY93 BASE</u>
Written and Physical Skills Testing				
Municipal Police	24	33	30	30
Sheriff's Departments	22	27	25	30
State Agencies	2	1	2	2

ANTI-DRUG ABUSE

Drug Task Force Programs:

State Task Force	1	1	1	0
Local Law Agencies	7	7	7	7
Crime Lab Programs	1	1	1	1
Total grants approved:				
State Task Force	1	1	1	0
Drug Analyses (Lab)	1	1	1	1
Local Law Agencies	7	7	7	7
Dept. of Institutions	2	2	2	2

VICTIMS:

See also modified level request.

Programs Funded	15	17	17	17
Victims Served	6,500	7,000	7,200	7,200

DRUG FREE SCHOOLS AND COMMUNITIES:

See also modified level request.

Drug Free Schools Programs				
Community Based	13	13	13	13
Drug Free Schools Programs Statewide	1	1	1	1
Program Reports Submitted Quarterly	14	14	14	14

6. Administrative.

Number of Law Enforcement Studies				
Law Enforcement Consolidation				
or Contracting	1	1	1	1
Manpower Needs Assessment	1	1	1	1
Law Enforcement Studies Staff Hours				
Law Enforcement Consolidation				
or Contracting	340	350	300	300
Manpower Needs Assessment	275	300	240	240
Special Training				
Workshop	6	2	2	2
Computer Training	4	2	2	1

FY93
BASE

FY92
BASE

FY91
ENACTED

FY90
ACTUAL

INCREASES FROM BASE

The division has requested four modifications to increase the base. These four are: 1. CV-92001, Narcotics Control for the Anti-Drug Abuse Act; 2. CV-92001, Juvenile Justice for the Juvenile Justice and Delinquency Prevention Act; 3. CV-92003, Victims Assistance, for the Victims of Crime Act; and, 4. CV-92004, Drug Education, for the Drug Free Schools and Communities Act. In addition, we address increases due to worker's compensation insurance. A table presents each of these issues so that the budget effect of each is visible. Performance measures related to each modified request are also presented. The division administers and brings into the state about \$7 in federal revenue for each general fund dollar. Each of the modified requests relate to use and administration of these federal revenues.

1. NARCOTICS CONTROL

The anti-drug abuse grant program is the largest grant program at this time. The division is requesting increased spending authority for this function as a direct result of increased emphasis at all levels of government on combatting the use and distribution of illegal narcotics. The estimated federal funds available to the Division have increased to \$2,225,000 per year for the FY 92-93 biennium. The main objectives of this function are to implement Montana's statewide anti-drug abuse strategy which focuses on demand reduction, system improvements, supply reduction and education and prevention. The Narcotics Control function is funded by federal grants, state general fund and local government funds. As in past years, federal funding requires a 25% cash match for FY92 and a 50% cash match for FY93. The state must match the administrative portion and local government must match their sub-awards. The increased general fund requested at this time is to satisfy the states matching requirement to allow monitoring of more than 30 projects. The requested increase to base at this time closely reflects what our modified budget for FY91 is currently.

The FTE requested represents an existing filled position in our modified budget. The position is a Project Evaluator grade 14 and is responsible for performing the monitoring, evaluation, reviewing and reporting of all narcotics control projects funded under the Anti-Drug Abuse Act. The services are essential and

necessary and assist in enabling Montana to receive these federal funds. This position is key to participation in a nationwide evaluation and assessment of the impact of anti-drug abuse monies. Montana is one of 15 original participating states in this nationwide project (Drug Consortium). Several important national reports have already been published in which Montana played a role. Through these efforts, Montana is becoming a leader in rural anti-drug abuse efforts.

The Anti-Drug Abuse Act requires that participating states submit annually to the Bureau of Justice Assistance (BJA) performance reports concerning the activities carried out under the grant. The Drug Consortium and performance recording requires much data, from multi-jurisdictional drug task forces and crime laboratories. All data are submitted quarterly.

The increased operating costs consist of professional services, printing, supplies, postage, telephone, and travel. These costs are due to the large increase in pass-through funds and corresponding increase in number of subgrants. Undercover operations alone increased from 7 to 11. Over 30 projects in total are funded through this act.

The increased equipment budget is necessary to replace a letter quality printer, one work station and AREV software. The printer is used extensively for correspondence and for providing camera ready copy of subgrant contracts, forms, publications and program policy and procedure standards and reports. The work station is needed to replace an aging unit that has been repaired and is not expected to last through FY93. The AREV software in multi-user form is necessary in order to derive full benefit of data collected. The nationally reported data is collected on a 'run time' version which won't permit the division access to the database so that we can perform analysis other than those of the national project. Our base budget for equipment is \$0.00 due to the fact that all equipment was budgeted in FY91 and FY92 was used as the base.

Montana's share of federal funds under the Narcotics Control Block grant Program have more than doubled since FY90. As a result the division will be able to award federal funds of \$2,144,000 for anti-drug abuse programs each year of the 93 biennium. Combined with the required local match the resources available to implement Montana's Statewide drug strategy over the 93 biennium will exceed \$5,700,000. The federal regulations require 58.56% of all funds be passed through to units of local government.

PERFORMANCE INDICATORS

The following indicators have been developed for this modified request. Since the program has been operational through the budget amendment process, actual measures are available for past years.

	<u>FY90 ACTUAL</u>	<u>FY91 ENACTED</u>	<u>FY92 RECOMMENDED</u>	<u>FY93 RECOMMENDED</u>
Program reports submitted each quarter	9	9	14	14
Yearly on site monitoring	9	12	18	18
Yearly Consortium meetings	2	2	2	2
Task Force Statistics:				
Total Number Arrests	347	350	400	450
Tot'l Convictions	256	256	292	325
Total FTE Drug Control	27.25	30	33	35
Cocaine Removal	7.77kg	8kg	11kg	11.5kg
Cannabis Removal	26.92kg	27kg	40kg	45kg
Amphetamine Removal	16.72kg	17kg	20kg	25kg
Marij. Plants Removed	1,906	1,900	2,100	2,200
\$ Assets Seized	380,227	380,000	500,000	525,000
\$ Assets Forfeited	118,508	118,500	180,000	200,000
Crime Lab Statistics:				
Total Samples submitted	1,520	1,520	2,000	2,280
Samples Analyzed as:				
Cocaine	275	275	300	325
Cannabis	652	650	1,000	1,200
Amphetamine	253	250	320	350
Total Cases	869	870	1,300	1,350

2. JUVENILE JUSTICE

The division is requesting additional operational funding as a direct result of increased responsibilities, workload and costs of the Juvenile Justice planning. The specific increases are related to: 1) mandated increase in the role and scope of the Youth Services Advisory Council; 2) an increase in the federal Juvenile Justice Formula Grant; 3) increased travel expenses related to council business, Juvenile Probation Information System enhancement, and subgrant monitoring; 4) lack of general fund appropriation to cover dollar for dollar matching requirements of the federal planning monies.

In 1987 the Governor expanded the role and scope of the Council by designating it as the statutorily mandated Advisory Council for the Department of Family Services. This was possible because it complemented the original function as mandated under the Federal Juvenile Justice and Delinquency Prevention Act. This increased the costs of operation due to increased membership, stipends for members, additional meetings, and travel. The increase in federal formula grant funding necessitates increased operational costs to administer and monitor projects. Reduced travel budgets have inhibited our ability to adequately monitor projects for the past several years. The division has been developing a micro computer version of J.P.I.S. information system and needs a micro-computer to provide for converting the data collection system from a paper submission and keypunching system to a computerized system. On-site training and technical assistance will be necessary for each of the Youth Courts in the 20 Judicial Districts on the conversion.

Planning & Administration funds from the JJ & DP Act have increased because the base allocation for the state was increased by \$100,000 to a total of \$325,000. The state is eligible to use up to 7.5% (\$24,375) of these funds provided it is matched dollar for dollar with state funds. This additional federal allocation also increases the amount of federal dollars available to fund the activities of the Advisory Council and the Juvenile Probation Information System.

PERFORMANCE INDICATORS

	FY92 <u>INCREASE</u>	FY93 <u>INCREASE</u>
Implement Microcomputer JPIS	18	20
Jail Removal for Juveniles	100%	100%

3. VICTIM ASSISTANCE

The division administers the Federal Victims of Crime Assistance block grant for providing financial assistance to local agencies and programs for crime victim direct assistance projects. These funds are strictly pass-through, and are made available under the federal Victims of Crime Act of 1984. The estimated federal funds available to the division are \$332,000 annually / \$664,00 for the 93 biennium. Of these funds 100% must be subgranted to local agencies and programs for the purpose of funding victim assistance programs such as domestic violence, child abuse treatment, and sexual assault treatment programs throughout the state.

The Victims of Crime Act of 1984 prohibits use of any of these funds for administrative costs. The state is expected to cover these costs as their contribution to the program. When the division first began administering this program we were able to allocate a portion of our personnel and resources to administer this program. Over the past few years there has been a dramatic increase in federal pass-through funding, the number of programs, and work load in all our block grant programs and discretionary grants. The increased activity coupled with the steady decrease in general fund support has stretched our resources to administer these programs too thin. To properly administer our program and be able to obtain additional federal funds, additional staff and an operating budget are necessary. Victims programs are a vital part of a justice system and the provision of services to those harmed or maimed, and families of those injured or murdered is needed. Simply passing funds through without

effective oversight, coordination, accountability and planning is not an effective use of this limited but dearly needed service. Thus, in order to best assist victims and victim programs, the division is requesting the state contribution to this need be provided through this budget modification.

The Division is requesting one F.T.E. to perform the duties of a program assistant, grade 11. This position will coordinate technical and administrative practices and procedures and provide basic monitoring and assistance to programs operating under the federal Victims of Crime Act and to new projects. Most importantly, this position will be responsible for developing a plan for victims service so that the pass through funds fit into a coordinated scheme with a definable mission. This will help assure effective use of federal and state funds across the state. The operating costs are for normal operating costs for administering the projects and for travel to monitor programs. Equipment expenditures are for a desk and workstation the first year only. Our original request was to fund this with general fund. However as an alternative, with some statutory changes, we are proposing this could be funded out of the state special revenue account established for Crime Victims Compensation (MCA-53-9-109) from funds derived under 3-10-601 MCA.

PERFORMANCE INDICATORS

	<u>FY92</u>	<u>FY93</u>
	<u>INCREASE</u>	<u>INCREASE</u>
Development of a statewide victim assistance plan	1	0
Amend/update plan	0	1
On-site program monitoring	17	17
Subgrant reviews of applications	20	25
Preparation of federal applications	1	1
Preparation of performance report	1	1
Program review, quarterly	68	68

4. DRUG EDUCATION AND PREVENTION

The Crime Control Division administers these federal funds which are made available under Part Two of the Drug-Free Schools and Communities Act and can not be used to supplant state or local funds. There has been a steady increase the past few years in these funds. The estimated federal funds available to the division on a annual basis will be \$553,938 / \$1,107,876 for the 93 biennium.

Of these funds approximately 98% will be sub-granted to state and local agencies and programs for the purpose of funding twelve month drug education and prevention programs throughout the state. Project DARE is exemplary of the type projects that are funded.

In order to develop new and innovative programs, maintain quality control, and properly monitor projects for Montana, an increased operating budget is needed. Approximately 2% (\$11,720/year) of these funds will be utilized for research, development and evaluation of innovative approaches to drug and alcohol prevention and technical assistance, particularly in the rural, geographically isolated areas of the state. We will target those areas which historically have the most difficulty acquiring either technical or program support because they do not have the local base to pay for the service. The funds will cover minimal operating costs involved with providing assistance to "start-up" projects which will offer the best assurance of a smooth transition to conventional community-supported programs. Results of evaluation, grant management, and technical assistance will be used to develop long-term planning for investment of federal dollars that incorporates not only prevention and enforcement efforts initiated by this agency, but also takes into account endeavors by outside agencies and communities. In this manner there can be some protection from duplication or unwise use of resources.

PERFORMANCE INDICATORS

	<u>FY92</u>	<u>FY93</u>
	<u>INCREASE</u>	<u>INCREASE</u>
Yearly On-Site Monitoring	6	6
Start-up Assistance	3	4
Yearly Public Awareness Meetings	3	3
Research/Evaluation	1	1

5. INSURANCE

The final column of increases reflects those not associated with any of the 4 modifications. These increases are related to modified workers comp rates which were received in November, too late in the budgeting process to include these costs in the adjusted base.

The fixed costs for liability insurance submitted to the division did not include the charges for automobile liability for the division's two used vehicles. Notification of these additional charges were received in November. The division utilizes retired Highway Patrol vehicles and apparently there was some confusion in the records.

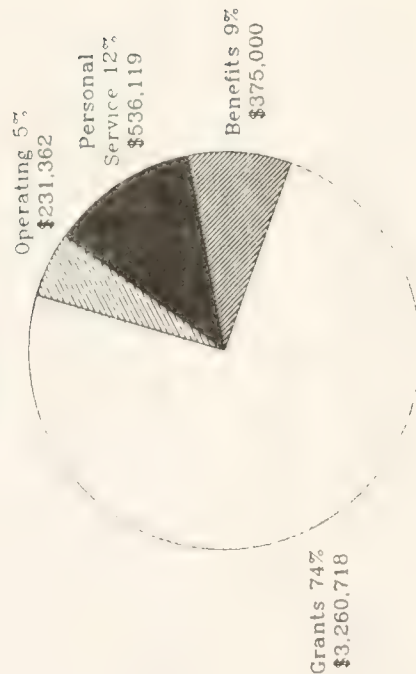
SUMMARY OF INCREASES TO BASE.

In an analysis of the division's budget request, when both the base and the increases are considered, it is worth noting grants, benefits and claims make up at least 83% of the budget. Personal services is about 12% and operating is about 5%. In terms of funding sources (combining both base and increases), general fund is about 11% of the funding, state special revenue about 10%, and federal sources about 79%.

For FY 92 each general fund dollar invested in the division about \$7.15 in federal revenue is brought into the state. This ratio is perhaps the highest in the state. The pie charts, based on FY92 figures only, show these ratios with great clarity.

PIE CHARTS - FY92 FIGURES

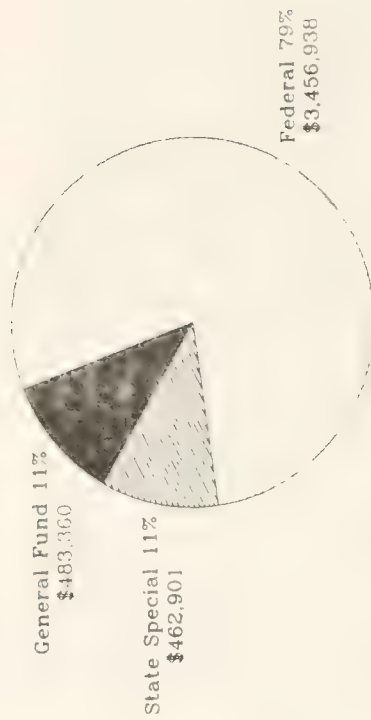
MBCC
FY 92



Budgeted Costs
FY92

Combined base and modified
Operating includes equipment

MBCC
FY 92



Funding Sources
FY92

Combined base and modified

FISCAL 1992

DESCRIPTION	BASE FY92	NARCOTICS CONTROL INCREASE	JUVENILE JUSTICE INCREASE	VICTIM ASSISTANCE INCREASE	EDUCATION INCREASE	DRUG INSURANCE INCREASE	RECOMMENDED FY92
Full Time Equivalent Employees	16,00	1,00	0,00	1,00	0,00	0,00	18,00
Personal Services	482,400	28,406	1,550	22,544	0	1,219	536,119
Operating Expenses	169,086	13,077	19,650	3,579	11,220	453	217,065
Equipment & Intangible Assets	0	3,555	7,300	2,942	500	0	14,297
Grants From Fed. Sources	2,133,500	904,000	0	108,000	115,218	0	3,260,718
Benefits and Claims	375,000	0	0	0	0	0	375,000
TOTAL PROGRAM	3,159,986	949,038	28,500	137,065	126,938	1,672	4,403,199
General Fund	447,359	27,000	7,500	0	0	1,501	483,360
State Special Revenue	433,665	0	0	29,065	0	171	462,901
Federal Special Revenue	2,278,962	922,038	21,000	108,000	126,938	0	3,456,938
TOTAL FUNDING COSTS	3,159,986	949,038	28,500	137,065	126,938	1,672	4,403,199

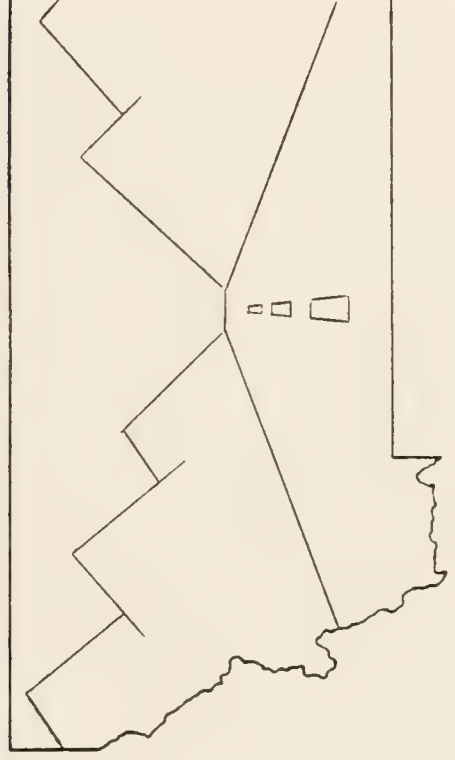
FISCAL 1993

DESCRIPTION	BASE FY93	NARCOTICS CONTROL INCREASE	JUVENILE JUSTICE INCREASE	VICTIM ASSISTANCE INCREASE	EDUCATION INCREASE	DRUG INSURANCE INCREASE	RECOMMENDED FY93
Full Time Equivalent Employees	16,00	1,00	0,00	1,00	0,00	0,00	18,00
Personal Services	482,019	28,341	1,550	22,494	0	1,214	535,618
Operating Expenses	170,038	13,142	24,420	3,441	11,720	396	223,157
Equipment & Intangible Assets	0	3,555	2,530	0	0	0	6,085
Grants From Fed. Sources	2,133,500	931,000	0	108,000	115,218	0	3,287,718
Benefits and Claims	375,000	0	0	0	0	0	375,000
TOTAL PROGRAM	3,160,557	976,038	28,500	133,935	126,938	1,610	4,427,578
General Fund	447,930	54,000	7,500	0	0	1,446	510,876
State Special Revenue	433,665	0	0	25,935	0	164	459,764
Federal Special Revenue	2,278,962	922,038	21,000	108,000	126,938	0	3,456,938
TOTAL FUNDING COSTS	3,160,557	976,038	28,500	133,935	126,938	1,610	4,427,578

DEPARTMENT OF JUSTICE

HIGHWAY TRAFFIC SAFETY DIVISION

MONTANA SAFETY



Highway Traffic Safety Division
Narrative Budget Justification

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HIGHWAY TRAFFIC SAFETY

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr Recommended	----- Base	Fiscal 1993 Incr/Decr Recommended	----- Base
Full Time Equivalent Employees	8.50	8.50	8.50	.00	8.50	.00	8.50
Personal Services	224,534.20	275,679	263,533	610	264,143	263,259	263,866
Operating Expenses	184,801.18	193,378	198,371	348	198,719	198,578	198,724
Equipment	2,333.99	3,000	3,000	0	3,000	3,000	3,000
Local Assistance	200,000.00	200,000	200,000	200,000	400,000	200,000	400,000
Grants	820,000.00	720,000	520,000	0	520,000	0	520,000
Total Agency Costs	\$1,431,669.37	\$1,392,057	\$1,184,904	\$200,958	\$1,385,862	\$200,753	\$1,385,590
General Fund	200,000.00	200,000	200,000	200,000	400,000	200,000	400,000
State Special Revenue Fund	60,949.83	76,030	75,734	317	76,051	75,813	76,039
Federal Special Revenue Fund	1,170,719.54	1,116,027	909,170	641	909,811	909,024	909,551
Total Funding Costs	\$1,431,669.37	\$1,392,057	\$1,184,904	\$200,958	\$1,385,862	\$200,753	\$1,385,590

MISSION AND GENERAL DESCRIPTION

The Highway Traffic Safety Program was established in 1967 to promote public safety, health and welfare through efforts directed toward reducing death, injury, and property loss resulting from traffic accidents. In addressing this mission, diverse projects are developed, initiated and maintained throughout various levels of government to ensure that a long-term, stable, and professional statewide program exists. Current program priorities include occupant protection and drinking and driving projects.

AGENCY ORGANIZATION

An Administrator and Assistant Administrator direct the work. The division produced results using two bureau chiefs, four professionals, and one secretary. For administrative purposes it is attached to the Department of Justice. Physically, it is housed in Justice's annex in the Capitol complex facility known as the Scott Hart Building.

Agency costs are in (1) program management and (2) administration. Administrative actions require a 50% match by state gas tax funds to conduct a federally funded grant program: funds pay for 4.0 FTE's and expenses. Program management actions are 100% federally funded and pay for the remaining 4.5 FTEs and their expenses.

Three major themes annually form the functions performed by the division. All programs and projects are associated with:

1. fatal and injury-related highway traffic accidents;
2. driving under the influence of alcohol and drugs; and
3. occupant protection and the use of safety restraints.

OVERVIEW

Annual programs and projects emphasize several activities. These "countermeasures" form the heart of a required federal plan and are taken to meet the goals and objectives indicated below. The division conducts about ten countermeasures depending on the federal funds available.

GOALS

Reduce fatal accidents on the state's roadways.

Reduce injury-related accidents on the state's roadways.

Increase the use of motor vehicle safety restraints by motorists to protect against injuries and fatalities in accidents.

Eliminate the use of alcohol and other debilitating drugs by those driving a motor vehicle on the highway system.

Use alternative design and engineering options to reduce the risk of deaths and injuries of drivers, pedestrians, cyclists, school children and other segments of population using the highways.

Increase the use of helmets by motorcyclists and bicyclists.
Gain compliance with established speed limits by most motorists.

AUTHORIZATION

61-2-101 MCA, et seq The Governor is responsible for the highway traffic safety program "...to secure the full benefits available under the Federal Highway Safety Act of 1966." "The department of justice shall... establish a continuing and adequate research program designed to determine the causes of accidents and effect a program of prevention."

23 U.S.C. 402

The Governor exercises responsibilities through a state highway safety agency that has "adequate powers and is suitably equipped and organized to carry out the program to the satisfaction of the Secretary." (402(b)(1)(A). See the rules at Title 23, Code of Federal Regulations, Part 1251.

61-2-107 MCA

Quarte the department returns to counties with approved plans the \$50 fee paid by a driver to reinstate his driver's license for a conviction of driving under the influence. Fees collected quarterly for counties without approved plans revert to the general fund.

BASE PROGRAM

The division plans and manages an annual work plan to reduce the highway traffic accident, fatality and injury rates. The results are encouraging and acknowledged by peers throughout the nation.

Since the program's inception in 1967, dramatic results have occurred. Then the accident rate was 370.7, fatalities were at 7.53, and the injury rate was 186.5 based upon 4,234,000,000 driver miles. By the end of 1989, the accident rate had dropped to 199.3, down 46%, fatalities had dropped to 2.19, a 71% reduction, and injury-related accidents had dropped to 100.3, a drop of 46%.

Much of the reductions occurred since 1983 by efforts to emphasize two of the three themes noted previously. Programs were conducted to lessen the number and severity of accidents by drivers under the influence of alcohol or other drugs. Programs occurred, too, to increase the number of persons using safety restraints in vehicles.

The effort expended to reduce the number of drivers under the influence of alcohol and other drugs produced good results. The division assisted counties in organizing task forces, producing plans and coordinating the various elements of their "system" to capture and rehabilitate these drivers. The system includes the agencies and people involved in law enforcement, prosecution, judiciary, rehabilitation and education.

Agencies most involved in stopping these drivers are local police and the highway patrol. Convictions do not match the number of persons stopped or arrested. A conviction rate of 1.5% to 2% of a local driving population is estimated to deter others from risking this type of behavior. DUI convictions represent about 1.1% of the licensed drivers in the state. Our objective is to maintain this conviction rate through FY 1993.

Occupant protection consumed a large percentage of program effort. Providing information and education on the proper use of child, youth and adult restraints occurred regularly to reinforce the gains made. These gains occurred largely because of safety belt projects conducted locally. Use of safety belts has grown from 10% in 1983 to 62% in 1990. Our objective is to increase usage to 70% in FY 1993.

Significant gains may still be accomplished in both emphases areas. Our safety belt use objective reflects a gain using current resources. With a projected decline of \$200,000 per year in the DUI area, however, convictions only can be maintained at the base program level.

BASE FUNDING

Funding is provided from the General Fund only to reimburse those counties that have DUI Task Forces and approved plans. These funds are collected by the department as reinstatement fees for driver licenses. No overpayment is possible as only the funds collected are payable.

Highway Special Revenue funds of approximately \$76,000 are required as a 50% hard match for federal funds used for planning and administrative expenses of the division.

The remaining funds for the division are provided by the National Highway Traffic Safety Administration at 100%. These funds are contracted to other state and local units of government for approved traffic safety projects.

Special incentive funds amounting to \$200,000 previously contracted to DUI Task Forces will not be available beginning in FY 1992.

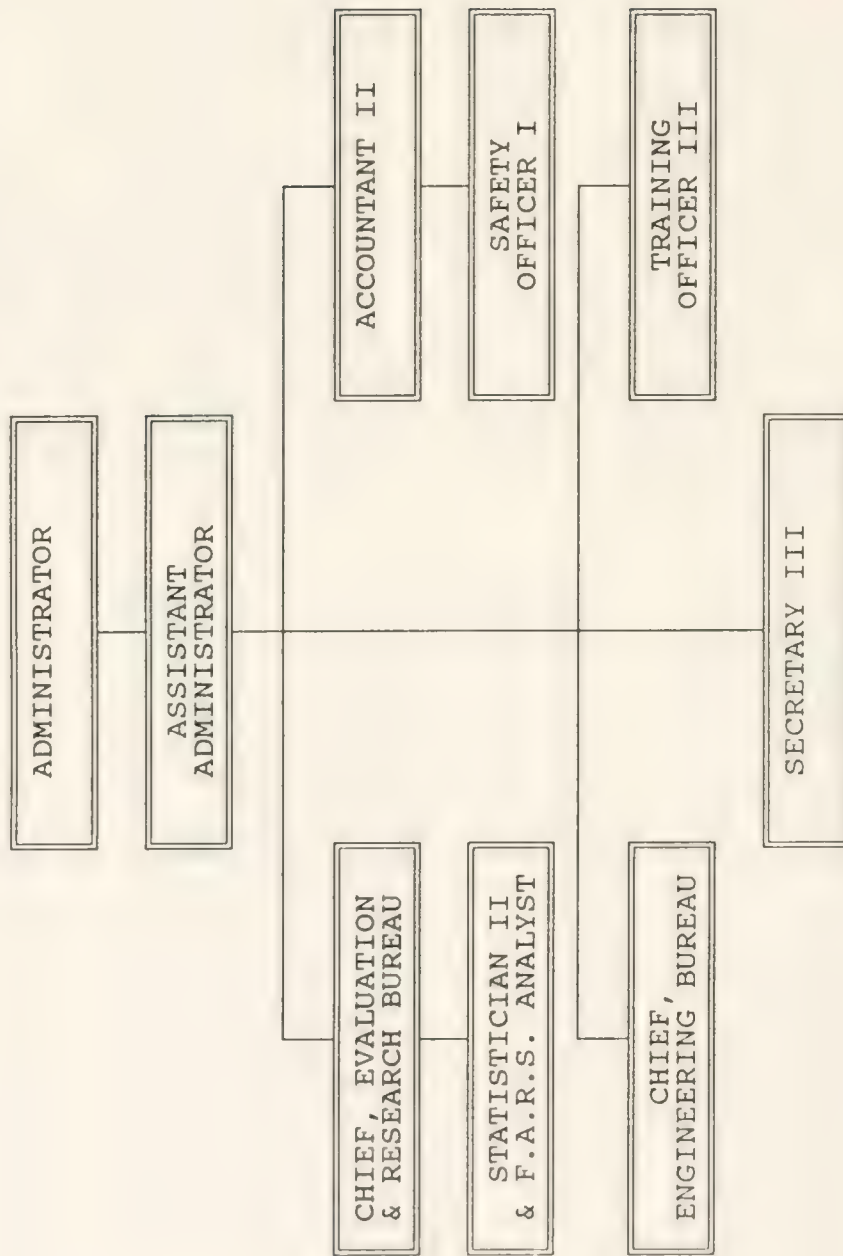
PERFORMANCE INDICATORS

<u>Workload Measure</u>	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY92 Increases</u>	<u>FY92 Recommended</u>
Traffic Fatality Rate	2.15	2.10	2.05		2.05
DUI Conviction Rate	1.1	1.2	1.1	0.1	1.2
Seat Belt Usage Rate	62%	65%	68%		68%
			<u>FY93 Base</u>	<u>FY93 Increases</u>	<u>FY93 Recommended</u>
Traffic Fatality Rate			2.00		2.00
DUI Conviction Rate			1.1	0.1	1.2
Seat Belt Usage Rate			70%		70%

INCREASE OR DECREASE FROM BASE

<u>Item</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Local Assistance	To replace expired federal funds, local county DUI task forces request an increase in the fee charged to reinstate a driver's license after conviction for Driving Under the Influence (DUI). Currently the fee is \$50.00. Their request is for a \$100.00 fee. The increased fee is expected to increase total general fund pass-through to county task forces by approximately \$200,000 per year.	\$200,000	\$200,000

HIGHWAY TRAFFIC SAFETY DIVISION
Organizational Chart



DEPARTMENT

OF

JUSTICE

DEPARTMENT OF JUSTICE

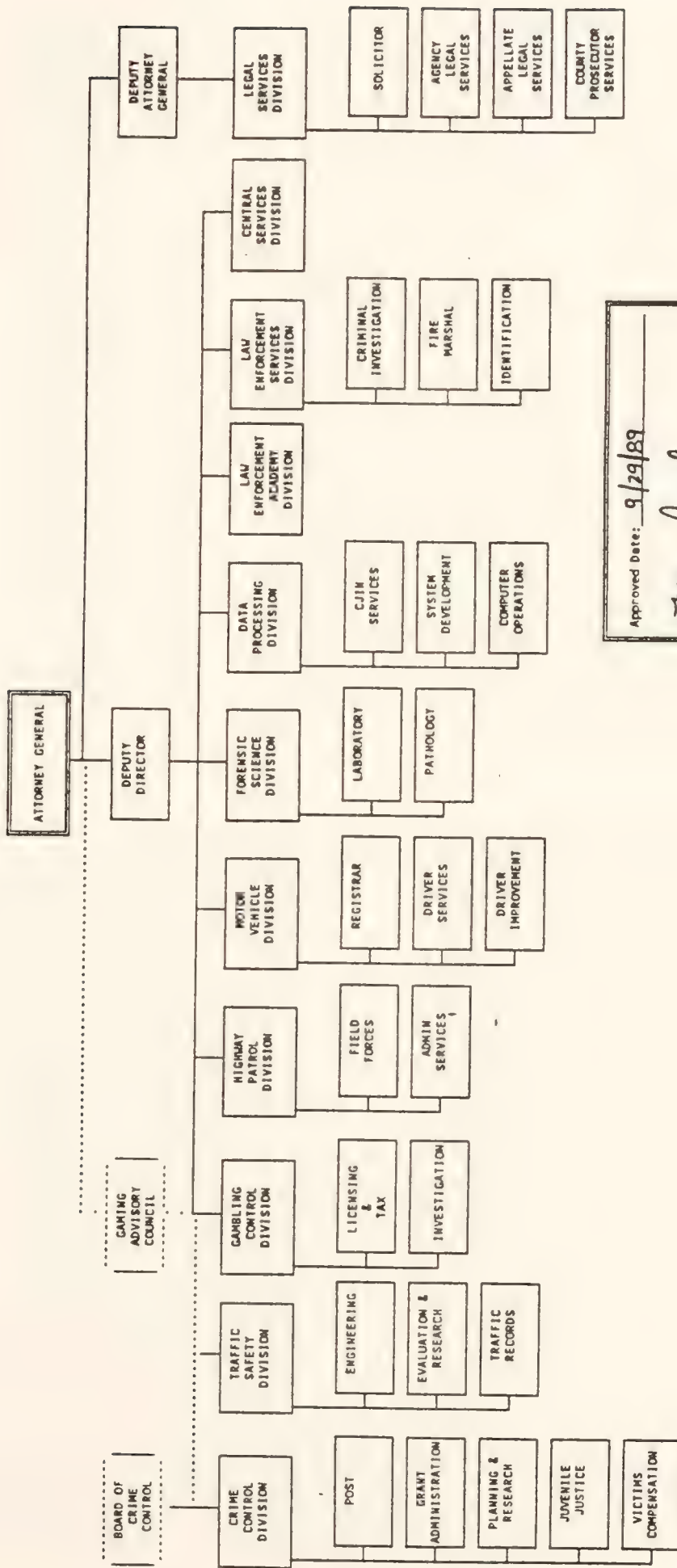
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DEPARTMENT OF JUSTICE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	602.00	600.50	600.50	26.75	627.25	600.50	27.00	627.50
Personal Services	17,675,693.29	18,668,413	18,711,064	940,499	19,651,563	18,700,107	960,863	19,660,970
Operating Expenses	5,717,049.79	6,004,761	6,106,567	251,690	6,358,257	6,135,481	211,377	6,346,858
Equipment	1,596,254.41	1,328,735	1,223,820	562,940	1,786,760	1,223,820	50,135	1,273,955
Debt Service	36,453.94	0	0	34,122	34,122	0	34,122	34,122
Total Agency Costs	\$25,025,451.43	\$26,001,909	\$26,041,451	\$1,789,251	\$27,830,702	\$26,059,408	\$1,256,497	\$27,315,905
General Fund	9,885,144.21	10,468,866	10,708,203	297,276	11,005,479	10,707,641	331,325	11,038,966
State Special Revenue Fund	13,691,256.84	13,902,745	13,892,994	1,363,075	15,256,069	13,909,014	931,108	14,840,122
Federal Special Revenue Fund	928,608.82	1,033,736	842,651	125,768	968,419	844,909	-9,026	835,883
Proprietary Fund	520,441.56	596,562	597,603	3,132	600,735	597,844	3,090	600,934
Total Funding Costs	\$25,025,451.43	\$26,001,909	\$26,041,451	\$1,789,251	\$27,830,702	\$26,059,408	\$1,256,497	\$27,315,905
Legal Services	1,101,569.15	1,256,100	1,235,100	10,804	1,245,904	1,229,313	10,411	1,239,724
Agency Legal Services	511,974.56	588,399	589,666	1,005	590,671	589,853	950	590,803
Gambling Control	1,385,577.54	1,523,052	1,661,649	420,681	2,082,330	1,660,946	231,902	1,892,848
Motor Vehicle	4,778,817.96	4,989,966	4,985,520	208,887	5,194,407	4,986,623	190,517	5,177,140
Highway Patrol	11,108,033.56	11,262,205	11,049,693	751,014	11,800,707	11,065,986	596,528	11,662,514
Law Enforcement Services	1,675,699.31	1,794,167	1,801,099	77,705	1,878,804	1,803,756	27,040	1,830,796
County Attorney Payroll	1,012,137.15	1,003,551	1,056,404	0	1,056,404	1,057,745	0	1,057,745
Law Enforcement Academy	494,752.10	552,425	563,727	48,875	612,602	562,965	48,731	611,696
Central Services	974,019.53	919,965	1,011,836	90,687	1,102,523	1,014,541	90,673	1,105,214
Data Processing	932,828.62	964,897	912,947	102,820	1,015,767	912,423	58,084	970,507
Extradition & Transp Prisoners	191,751.41	146,875	148,993	18	149,011	149,002	8	149,010
Forensic Science	858,290.54	1,000,307	1,024,817	76,755	1,101,572	1,026,255	1,653	1,027,908
Total Program Costs	\$25,025,451.43	\$26,001,909	\$26,041,451	\$1,789,251	\$27,830,702	\$26,059,408	\$1,256,497	\$27,315,905

DEPARTMENT OF JUSTICE
ORGANIZATIONAL CHART
SEPTEMBER, 1989



Approved Date: 9/29/89
Marc Racicot
 By: Marc Racicot, Attorney General

DEPARTMENT OF JUSTICE

MISSION AND GENERAL DESCRIPTION

The Department of Justice, under the direction of the Attorney General, provides the state level leadership and coordination necessary for effective law enforcement and public safety, as authorized in section 2-15-501, MCA. The goals of the department are: 1) to provide the best possible legal representation for the State and its political subdivisions in criminal appeals; 2) to provide legal services for the state, county and municipal agencies and their officials; 3) to enforce Montana traffic laws and register all motor vehicles; 4) to enforce state fire safety codes and regulations; 5) to assist local law enforcement agencies in bringing offenders to justice; 6) to manage a statewide system of death investigations and provide scientific analyses of specimens submitted by law enforcement officials, coroners and state agencies; and 7) to provide for the uniform regulation of all gambling activities in the State of Montana.

AGENCY ORGANIZATION

The Department of Justice was created on September 1, 1972, through the Executive Reorganization Act of 1971. The Attorney General, who is elected to serve a four-year term, heads the department. The department's primary functions are to provide for effective statewide law enforcement, legal services and public safety.

In the same Executive Reorganization Act that created the Department of Justice, the Board of Crime Control was established and attached to the Department of Justice for administrative purposes. The board is composed of 18 members appointed by the governor and confirmed by the senate. The staff hired by the board operates as the Crime Control Division.

The Highway Traffic Safety Program was attached to the Department of Justice for administrative purposes in 1981. The program is headed by a division administrator. The program operates as the Highway Traffic Safety Division.

The eleven operating divisions of the Department of Justice are listed below:

Legal Services Division - provides the Attorney General with legal research and analysis; legal counsel for state government officials, bureaus and boards; legal assistance to local governments and Indian tribes; legal assistance, training, and support for county prosecutors; and legal advice and support for all state agencies.

Central Services Division - provides centralized accounting, personnel, administrative, budgetary and fiscal support for the department, and administers the Central Services Division, county attorney payroll and extradition and transportation of prisoners program expenditures.

Crime Control Division - prepares and implements an annual plan for strengthening Montana's criminal justice system. In addition to administering federal grant funds, the division provides support services to criminal justice agencies in the form of peace officer certification, data collection and research. Effective July 1, 1987, the division is responsible for the administration of the Crime Victims' Compensation Act of Montana.

Data Processing Division - supports the department's automated data processing systems and provides law enforcement telecommunication capabilities.

Forensic Science Division - performs scientific analyses of specimens submitted by law enforcement officials, coroners, and state agencies; promotes forensic science training and scientific criminal investigations in the state and manages a statewide system of death investigations.

Gambling Control Division - responsible for licensure, regulation and enforcement of gambling activities in the State of Montana. The division was created by the 51st Legislature in 1989 in a bill generally revising gambling laws.

Highway Patrol Division - patrols the highways and is responsible for accident investigation, motorist assistance, auto theft investigation, vehicle inspection and enforcement of commercial vehicle regulations and general traffic laws.

Highway Traffic Safety Division - implements a comprehensive traffic safety program. Its primary function is to coordinate and provide technical assistance for the efforts of federal, state and local political subdivisions in highway safety.

Law Enforcement Services Division - assists law enforcement agencies and promotes enforcement cooperation between federal, state, county and city agencies through its investigative work.

Law Enforcement Academy Division - provides a professional education and training program in criminal justice for Montana law enforcement officers and other criminal justice personnel.

Motor Vehicle Division - provides for vehicle registration and driver licensing. The Registrar's Bureau in Deer lodge is included in this division.

LEGAL SERVICES DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	25.50	25.50	25.50	.00	25.50	25.50	.00	25.50
Personal Services	890,310.58	986,924	988,432	2,169	990,601	987,114	2,163	989,277
Operating Expenses	177,344.82	256,176	233,668	8,660	242,328	229,199	8,544	237,743
Equipment	31,828.75	13,000	13,000	-25	12,975	13,000	-296	12,704
Debt Service	2,085.00	0	0	0	0	0	0	0
Total Agency Costs	\$1,101,569.15	\$1,256,100	\$1,235,100	\$10,804	\$1,245,904	\$1,229,313	\$10,411	\$1,239,724
General Fund	1,101,569.15	1,256,100	1,235,100	10,804	1,245,904	1,229,313	10,411	1,239,724
Total Funding Costs	\$1,101,569.15	\$1,256,100	\$1,235,100	\$10,804	\$1,245,904	\$1,229,313	\$10,411	\$1,239,724

Overview

The Legal Services Program provides the Attorney General with legal research and analysis; provides legal counsel for State government officials, bureaus and boards; represents Montana's interests in cases before local, state and federal courts, reserved water rights cases, antitrust cases, civil cases where the State is a party, and cases involving property that reverts to the State in the absence of legal heirs; interprets laws; provides legal assistance to local governments on bond issues and on other matters; and, enforces the laws relating to the reporting and collection of unclaimed property belonging to persons who cannot be located.

The County Prosecutor Services Bureau of the Legal Services Program provides special prosecution assistance to counties in the prosecution and disposition of major felonies and in cases in which county attorneys or city attorneys have conflicts of interest. County Prosecutor Services also provides prosecutor services to the Eastern Coal Counties Task Force and the Western Montana Special Investigation Section and coordinates training and continuing legal education for county attorneys, city attorneys and law enforcement personnel.

The Legal Services Program is divided into three functions: Appellate Legal Services, Indian Legal Jurisdiction and County Prosecutor Services. Their goals, authorizations, etc. follow.

APPELLATE LEGAL SERVICES

Goals

To represent the State of Montana in cases before local, state and federal courts, to provide the Attorney General with legal research and analysis on questions submitted for an Attorney General's opinion, to provide legal assistance to local governments on bond issues and other matters and to enforce the laws relating to the reporting and collection of unclaimed or escheated property to the school trust fund.

Authorization

2-15-501,MCA

Requires the Attorney General to attend the Supreme Court and prosecute and defend all causes to which the State or any officer thereof in his official capacity is a party and all causes to which any county may be a party.

2-15-501,MCA Requires the Attorney General to give his opinion in writing to the Legislature or either house thereof, to any State officer, board or commission, to any county attorney, to the city attorney of any city or town and to the board of county commissioners of any county of the State.

(NOTE: A large number of other statutes require the Attorney General to provide legal services for very specific purposes.)

Base Program

The Appellate Legal Services Bureau provides legal services on the following kinds of legal matters involving the State of Montana: criminal, habeas corpus and post-conviction relief, antitrust, reserved water rights and other complex civil cases in other areas where the State of Montana is a party.

The bureau reviews and drafts Attorney General Opinion requests involving questions of law on any subject. The opinions are thorough interpretations of statutes which the requesting attorneys find complex enough to warrant extensive research. The opinions are published in bound volumes and serve as binding legal precedent unless overturned by a court of law.

The bureau represents the State of Montana on all criminal appeals and most habeas corpus petitions and post-conviction relief proceedings brought before the Montana Supreme Court.

The program provides legal assistance to the State and to local jurisdictions on matters that include criminal law, extradition, election law, bond law, escheated estates and unclaimed property, interlocal agreements, federal reserved water rights, antitrust, conflicts of interest, open meetings, motor vehicle law, dependent neglect and complex civil cases in other areas where the State is a party.

The program drafts and updates manuals on small claims court procedure and crime victims' compensation.

Base Funding

The program is totally funded by the General Fund.

Performance Indicators

Workload Measure	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
--Number of written opinions requested	72	75	75	80
--Number of criminal cases opened	104	110	120	120
--Number of habeas corpus & post-conviction cases opened	82	85	88	88
--Number of other civil cases opened	31	35	35	35
--Number of constitutional challenges to be monitored	53	55	60	60

INDIAN LEGAL JURISDICTION

Goals

To provide consistent and accurate advice to State agencies on questions of Indian law which affect agency operations, to defend State agencies when their actions are challenged in court because of jurisdictional conflict between State law and tribal law, and to ensure a uniform State policy on Indian legal issues.

Authorization

See Authorization for Appellate Legal Services Bureau for general authorization for this program.

Base Program

The Indian Legal Jurisdiction Section provides legal representation in all cases to which the State, a State agency, or a State official is a party and which involve issues relating to Indian law. These cases most typically involve tax, criminal jurisdiction and natural resource issues.

The Program consults and advises State agencies with questions on Indian law matters which are not presently in litigation.

Base Funding

The program is totally funded by the General Fund.

Performance Indicators

<u>Workload Measure</u>	FY90	FY91	FY92	FY93
	<u>Actual</u>	<u>Enacted</u>	<u>Base</u>	<u>Base</u>

--Number of lawsuits for which the program is directly responsible

15	15	15	15
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COUNTY PROSECUTOR SERVICES

Goals

To provide a variety of professional prosecution and training functions to federal, State and local officials upon request and as authorized by the Attorney General.

Authorization

44-4-101,MCA "Training Coordinator for County Attorneys", statutorily creates the position of training coordinator for county attorneys and assigns training functions to that position.

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-- B --

LEGAL SERVICES DIVISION

2-15-501,MCA

directs the Attorney General to exercise supervisory powers over county attorneys in all matters pertaining to the duties of their offices and when required by the public service or directed by the governor, to assist the county attorney of any county in the discharge of his duties.

Base Program

The program provides special prosecution assistance, as lead counsel, co-counsel, or advisor, when requested to do so by a city or county attorney.

The program designs and provides continuing legal education and training, through written materials or classes, to law enforcement officers, including county and city attorneys and their staffs. Training is provided, for example, for the Montana County Attorneys Association, Montana Magistrates Association, University of Montana School of Law, Montana Highway Patrol, Montana Fish, Wildlife and Park wardens and law enforcement officers at the Montana Law Enforcement Academy and regional schools held throughout the State of Montana.

The program drafts and secures passage of legislation in the area of criminal law and procedure for the purpose of improving the prosecution function and the administration of justice.

The program makes inquiries into the actions of local criminal justice agencies upon complaint and at the direction of the Attorney General.

Base Funding

The program is totally funded by the General Fund.

Performance Indicators

Workload Measure	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	
--Criminal cases prosecuted	54	90	90	90	<p>principal member of the Department of Justice management team, directly supervises the employees of the Bureau. This Bureau is one of three within the Legal Service Division and the only bureau without a bureau chief. This position would be general funded.</p> <p>The second FTE will provide much needed legal support with issues involving Indian jurisdiction. The associated litigation in Indian jurisdiction issues has been substantial and is expected to increase significantly during the upcoming biennium. The addition of this attorney position will allow the Attorney General to structure proactive, and not merely reactive, strategies for representing the State's interests. This position will be general funded.</p>
--Complaints against local criminal justice agencies investigated	42	50	60	60	
--Hours of organization & presentation of continuing legal education	50	50	50	50	
--Hours of training of criminal justice personnel	186	250	250	250	
--Hours of preparation for training of criminal justice personnel	373	400	400	400	
Increase or Decrease from Base					
Item	Explanation			FY 92	FY 93
				\$49,543	\$44,941
				\$58,086	\$53,796

AGENCY LEGAL SERVICES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	11.50	13.50	13.50	.00	13.50	13.50	.00	13.50
Personal Services	375,402.44	476,206	470,421	1,089	471,510	470,207	1,087	471,294
Operating Expenses	104,618.43	107,468	114,520	91	114,611	114,921	38	114,959
Equipment	31,953.69	4,725	4,725	-175	4,550	4,725	-175	4,550
Total Agency Costs	\$511,974.56	\$588,399	\$589,666	\$1,005	\$590,671	\$589,853	\$950	\$590,803
Proprietary Fund	511,974.56	588,399	589,666	1,005	590,671	589,853	950	590,803
Total Funding Costs	\$511,974.56	\$588,399	\$589,666	\$1,005	\$590,671	\$589,853	\$950	\$590,803

Overview

The Agency Legal Services Program provides legal services, upon request, to State agencies. Agencies contract with the program and are billed for attorney time and case-related costs to support the program.

Goals

To Provide contracted legal services to State agencies at a reasonable cost, particularly where agencies need assistance with litigation.

Authorization

2-15-501,MCA requires the Attorney General to defend cases to which the State or any officer in his official capacity is a party.

2-4-611,MCA provides that State agencies may request from the Attorney General's Office a hearing examiner in a contested case.

Base Program

The Agency Legal Services Program primarily provides legal services to

State agencies who either do not have a legal staff or do not have a large enough legal staff to handle their legal affairs. The program offers, on a contract basis, regular legal advice on questions of law and handles agency litigation. The purpose of the program is to provide State agencies, who would otherwise hire private counsel, legal services at a reasonable charge by a staff experienced in litigation. Legal services are provided on a fee basis (\$48 per hour).

As a part of the legal services provided to State agencies, the program provides paralegal/investigative services for the purpose of preparing for litigation.

The program provides hearing examiners to State agencies on a fee basis, for rulemaking or contested case proceedings.

Base Funding

The program is totally funded by the Proprietary Fund.

PERFORMANCE INDICATORS

<u>Workload Measure</u>	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
--Cases opened	148	148	148	148
--Cases handled	224	224	224	224

GAMBLING CONTROL DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
				Recommended		Recommended
Full Time Equivalent Employees	31.00	31.00	31.00	10.00	31.00	41.00
Personal Services	878,578.35	820,766	961,475	307,487	1,268,962	1,266,822
Operating Expenses	281,862.52	614,849	609,152	-74,877	534,275	535,651
Equipment	225,136.67	87,437	91,022	188,071	279,093	90,375
Local Assistance	0	0	0	0	0	0
Total Agency Costs	\$ 1,385,577.54	\$ 1,523,052	\$ 1,661,649	\$ 420,681	\$ 2,082,330	\$ 1,892,848
State Special Revenue Fund	1,385,577.54	1,523,052	1,661,649	420,681	2,082,330	1,892,848
Total Funding Costs	\$ 1,385,577.54	\$ 1,523,052	\$ 1,661,649	\$ 420,681	\$ 2,082,330	\$ 1,892,848

Overview

The Gambling Control Division provides for the uniform regulation of all gambling activities in the State of Montana. The division also administers licensing and taxation program.

Goals

- To provide effective, uniform, statewide regulation of gambling in this Montana.
- To collect and distribute gambling related license fees and taxes to proper entities in a timely manner.

Authorization

23-5-110.MCA Public policy requirements setting general department responsibilities.

23-5-113,MCA Designates the department as a Criminal Justice Agency and establishes the department as having primary jurisdiction over gambling matters.

23-5-115,MCA

Sets out the powers and duties of the department as they relate to licensing, taxation and distribution.

Base Program

FY90 was the first year of operation for the Gambling Control Division. Some of the performance indicators now employed by the division were not contemplated in the development of the FYE 90-91 budget or fiscal note used in the enabling legislation. Some of these indicators are listed to illustrate the prioritized focus of the division. The clerical, licensing and tax, audit, lab/computer services and some investigative functions were considered and are reflected in this report.

The administrative tasks of the division are performed by the management team, headed by the division administrator. These tasks include, budget and personnel matters, policy and procedure development, program development and oversight, administrative rule making, industry and law enforcement education and legislative matters. The management staff also devotes some staff time to the Gaming Advisory Council. The management team's performance indicators are difficult to quantify but are reflected in the performance of their respective units.

Under base funding, the clerical services functions of word processing, data entry and filing are performed by individuals throughout the division's programs. The demands for filing, data entry and mail services are expected to rise as a result of industry growth, greater experience of personnel and having positions filled for the full fiscal year. The division also provides funding and devotes staff time to support the Gaming Advisory Council. The Council is set up to study all aspects of gambling, review department rules related to gambling, take testimony on gambling activities in Montana and report to the legislature. The division expects to devote more time to the Advisory Council in the future, due to full staffing levels and a full year of meetings.

The program license and tax activities provided for under base level funding are shared throughout the division. The activities include reviewing and clearing all gambling license applications, collecting and distributing all tax revenues and license fees from gambling operations and running the compliance program to make certain every operator required to pay gambling related taxes has filed reports and paid the taxes. The volume of work in these categories is also expected to rise as a result of industry growth and full staffing levels.

Base levels of funding also provide for both field and desk tax audits on video gambling machines and live keno and bingo games. In addition to the tax audits, financial investigations (audits) are conducted for licensing purposes and in support of criminal investigations. The volume and demand for services for audit activities is expected to rise with the activity levels of the investigative and licensing functions, full staffing levels and industry growth.

The division's civil and criminal investigative and enforcement responsibilities are also provided for under base funding. Civil investigations include, background investigations on gambling license applicants and on-site inspections of gambling premises and operations. Criminal investigations are investigations into illegal gambling activities. The demand for investigations is also expected to rise as a result of industry growth, full staff levels and primary jurisdiction responsibilities for a full year (the effective date of primary jurisdiction transfer from local governments to this program was October 1, 1989).

Base funding also provides for testing gambling machines and setting up, installing and monitoring the division's computer hardware and software. The demand for computer system administration was three times that projected for budgetary purposes. As a result, the amount of time available for machine modification testing is reduced for the purpose of calculating base FY92 and FY93.

Base Funding

The funding for this program is received entirely from State special revenue funds. The fund consists of license and permit fees designated by statute for the administration of gambling regulation. The individual fees are as follows: \$100 of the permit fee for each video gambling machine permit, \$500 for each live keno or bingo permit, \$100 of the permit fee for each live card table and live card dealer license fees, \$75 for the initial application and \$25 each year thereafter. In addition to these sources of funding, the division receives \$1,000 for video gambling machine manufacturer/distributor license fees and is granted statutory authority to assess and collect a video gambling machine testing fee from machine manufacturers on the submission of machines and program modifications for testing.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Clerical				
--Data entry-hours	3,500	2,800	3,800	3,900
--Word processing-hours	2,615	3,200	3,200	3,200
--Advisory Council				
support-hours	280	375	375	375
--Filing-# of documents				
license related	12,800	7,600	14,000	14,500
--Tax related	42,200	30,000	44,000	46,000
--Operator license	1,700	2,200	1,700	1,700
License and Tax				
--Tax collection \$ millions	15.00	13.00	19.80	20.08
--Tax distributions	5	5	5	5
--Compliance-returns	42,200	30,000	44,000	46,000
--Referrals to audit	1,800	1,000	1,900	2,000

				Increase or Decrease from Base			
				Item	Explanation	FY 92	FY93
--Permits issued	12,800	13,130	14,000	Base	Overstated base reduced by agency		
--Fees collected \$ millions	2.2	2.3	2.4	Adjustment	and OBPP.	(\$210,809)	(\$200,941)
--Fee distributions	4	4	4				
<u>Audit</u>							
--Desk	900	900	900				
--Field	54	110	90				
--Background	1,700	2,200	1,700	Modification	Additional staffing is required because of unexpectedly large case loads carried by the division, a reduction in support from local law enforcement resulting from local government budget constraints, and the continued growth of the gambling industry in Montana. The modification would add 10.00 FTE to assist with investigations, audit, and license and tax processing. The agency had originally requested \$2,091,716 in state special revenue and 23.00 FTE to adequately handle the investigative case load and licensing volume.	\$616,490	\$426,843
<u>Investigations</u>							
Civil: Inspections-Machines,							
-- premises & decals	726	3,000	1,000				
-- warnings	240	70	320				
-- violations	30	40	40				
Operator & manuf./dist license investigations:							
-- referred	1,830	641	2,371				
-- completed	100	641	130				
--Backgrounds initiated	2,250	2,020	1,640				
--Backgrounds completed	1,870	2,020	1,640				
Criminal:							
-- Initiated	1,567	1,000	2,080	Modification	"Buy Money" to be used in undercover investigations of gambling law violations. The department is requesting authorization from the legislature to fund the expenditure with money seized in the investigation, prosecution and conviction of illegal gambling activities. The department anticipates being able to fully fund this modification with these funds.	\$15,000	\$15,000
-- Completed	650	415	870				
<u>Services</u>							
--Machines exam. hours	1,000	3,000	1,000				
--System administration hours	2,200	1,100	3,000				

MOTOR VEHICLE DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	160.05	159.05	159.05	8.00	159.05	8.00
Personal Services	3,242,247.31	3,476,218	3,458,191	161,391	3,455,503	175,202
Operating Expenses	1,457,853.15	1,389,030	1,463,111	17,044	1,466,902	15,998
Equipment	78,717.50	124,718	64,218	30,452	64,218	-683
Total Agency Costs	\$4,778,817.96	\$4,989,966	\$4,985,520	\$208,887	\$4,986,623	\$190,517
General Fund	4,581,022.89	4,726,265	4,860,731	155,676	4,861,834	177,306
State Special Revenue Fund	73,062.00	75,267	74,789	53,211	74,789	13,211
Federal Special Revenue Fund	124,733.07	188,434	50,000	0	50,000	0
Total Funding Costs	\$4,778,817.96	\$4,989,966	\$4,985,520	\$208,887	\$4,986,623	\$190,517

enforcement community through the maintenance of accurate and timely driver license information files in an on-line automated system.

To provide to the public those services required by law in a manner that is efficient and economical while maintaining a courteous and helpful attitude to our customers.

Authorization

- 61-2-107,MCA Re-instatement fee.
- 61-2-301 & 302,MCA Driver improvement program.
- 61-5-101 et seq,MCA Driver licensing and control.
- 61-6-101 et seq,MCA Responsibility of vehicle users and owners.
- 61-8 Prts 4 & 8,MCA Implied consent and driving while intoxicated.
- 61-11-101 & 103,MCA Reports of conviction and records.
- 61-11 Prt 2,MCA Habitual offenders.
- 61-11 Prt 5,MCA Identification cards.

Base Program

The Driver Services Bureau operates with 87.05 FTE; generates annual

Overview

The Motor Vehicle Division provides for the licensing of drivers, control of problem drivers, titling and registration of vehicles and licensing and control of vehicle dealers.

The Motor Vehicle Division consists of two bureaus: the Driver Services Bureau and the Registrar's Bureau. Their goals, authorizations, etc. follow.

Driver Services Bureau

Goals

To provide for public safety through accident reduction by licensing only those drivers who are qualified and by withdrawing or limiting the privilege of driving of those who demonstrate a lack of qualifications.

To provide information, support and protection to Montana's law

revenue from driver license collections and sale of driver records of approximately 3.1 million dollars; and made approximately 600,000 public contacts in FY90, and expects to make nearly 615,000 contacts in FY91 reflecting a projected 2.5% growth rate.

The Driver Services Bureau accepts applications for original licensure from new applicants and persons entering the state from other jurisdictions. It provides for testing (both written and driving) for these applicants in the following categories:

	FY90 Tests
* Operator (Class D)	27,751
* Commercial Driver	10,988
* Motorcycle endorsement	1,233

The Bureau renews licenses for 125,382 existing Montana drivers giving vision examinations to each, inquiries for organ donor volunteers and photographs each applicant. During the renewal process, each applicant is evaluated. As a result of this evaluation, an applicant may be required to demonstrate his or her ability to safely operate a motor vehicle (300 per year) and/or may be required to submit additional information on his or her medical or physical condition. The Bureau may require that medical information be submitted on a periodic basis (4,200 per year) to determine if the license holder is still entitled to the license. As a result of this information and from information submitted by law enforcement or others regarding the physical or medical condition of drivers, the Bureau conducts investigations into the abilities of the drivers in question (200 per year), and may impose restrictions, or for good cause cancel, deny or suspend the license. The Bureau accepted 3,109 applications for Montana Identification Cards and photographed each I.D. applicant. The Bureau also collects the fees for Driver's Licenses, Commercial Vehicle Operator's Endorsements, Duplicates and Montana Identification Cards from approximately 65% of all applicants, with various counties (those receiving less than three days service per week) collecting the remainder. All information is entered into the automated licensing system by the field staff. The Bureau also provided 272 instruction hours of training to its field staff in driver licensing, driver control and commercial vehicle licensing matters.

Beginning in FY91, the Bureau will be required to enter the records of all

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commercial drivers into the Commercial Driver Licensing Information System (C.D.L.I.S., a national clearinghouse for commercial driver information). The records involved include all commercial drivers who have entered our system since January 1, 1988. It is estimated that 26,800 drivers will be initially entered and the anticipated normal rate of entry thereafter, will be 7,750 drivers each year.

In providing driver licensing services, the Bureau provides 5 day per week service in 13 permanent driver license stations and travels a total of 367,715 miles on a scheduled basis to 45 outlying stations.

The Bureau maintains approximately 900,000 manual and automated files for each licensed driver including 678,200 valid licenses containing an application, accident records, test results, correspondence, filings of future proof of financial responsibility, notices of cancellations, filings of future proof, court orders and reports of conviction of traffic laws. From these files, the Bureau responds to approximately 600,000 requests for information from law enforcement, other jurisdictions, insurance companies, employers and the general public, including 317,801 paid searches and more than 200,000 telephone inquiries.

As a result of information contained in its file system, and information received on a daily basis, the Bureau took 17,062 administrative actions against the driving privileges of problem drivers as a measure of driver control. These actions consist of:

* Certification of records of Habitual Offenders to County Attorneys	384
* Revocation of Habitual Offenders	200
* Other revocations made mandatory by law	2,758
* Mandatory suspensions	8,032
* Discretionary suspensions	1,668
* Cancellations	192
* Issuance of probationary licenses	1,798
* Suspension of probationary licenses	262
* Several classes of suspension of Commercial Vehicle Operator's Endorsements	48
* Requiring of attendance at counselling sessions	570
* Requiring of attendance at rehabilitation courses	314

* Suspensions resulting from failure to pay fines 176

* Additional actions for driving while suspended or revoked 660

As a part of its driver control activities, the Bureau collected and deposited with the State Treasurer in FY90, \$236,350 in re-instatement fees and \$21,500 in driver improvement fees, prepared 2,800 certified driving records, 144,928 conviction reports and entered into the automated system all actions taken. In addition, the Bureau corresponded with other licensing jurisdictions, courts, attorneys, law enforcement agencies, insurance companies, employers, and the general public. The Bureau also made 11 court appearances on driver licensing or control matters, conducted 13 administrative hearings, and made 110 public information appearances.

Base Funding

The Driver Services Bureau is primarily funded by the general fund. Less than 3% of the budget is provided by state special revenue funds, such as 3 1/3% of driver's licenses and driver improvement fees. The basic commercial vehicle licensing grant from the Department of Transportation ends in FY91, but some grant monies will carry over to fund the recording of commercial operators on the national system.

Performance Indicators

<u>Driver licensing</u>	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
--Renewals	125,382	128,500	128,500	128,500
--Commercial tests	10,988	11,250	11,250	11,250
--Operator tests	27,751	28,500	28,500	28,500
--Motorcycle tests	1,233	1,260	1,260	1,260
--I.D. cards	3,109	3,180	3,180	3,180
--Duplicate licenses	8,053	8,250	8,250	8,250
--CDLIS entries	-0-	26,825	7,550	7,550
--Training hours	272	198	198	198
--Renew drive tests	300	310	310	310
--Driver record requests	317,801	325,750	325,750	325,750

Driver Control

--Actions taken	17,062	17,500	17,500	17,500
--Re-instatement fees	228,300	234,000	234,000	234,000
--Conviction reports entered	144,928	148,500	148,500	148,500
--Certified records	2,880	2,950	2,950	2,950
--Court appearances	11	12	12	12
--Admin. hearings	13	14	14	14
General				
--Public contacts	600,000	615,000	615,000	615,000
--Miles driven	367,715	367,715	367,715	367,715
--AAMVA meeting hours	120	120	120	120

REGISTRAR'S BUREAU

Goals

- To provide consumer protection through accurate and timely vehicle titling, registration and lien filing.
- To provide support, regulation and education to Montana's motor vehicle dealers.
- To provide information, support and protection to Montana's law enforcement community through the maintenance of accurate and timely vehicle information files in an on-line automated system.
- To provide to the public, those services required by law in a manner that is efficient and economical while maintaining a courteous and helpful attitude to our customers.
- To provide instruction and assistance to the various counties involved in the titling and registration process.

Authorization

23-2-501 et seq,MCA Title and register recreational vehicles

44-4 Prt 2,MCA Confidential plates and registration

61-3-101 et seq,MCA Motor Vehicle registration and titling

61-4-101 et seq,MCA Dealer licensing

Base Program

The Registrar's Bureau provides a system for registration, titling, record keeping and licensing of motor vehicles, vessels and recreational vehicles. This system ensures financial protection for Montana citizens; provides vehicle information for law enforcement and provides statistics and audit trails when they are required. The Bureau also applies any federal mandates to the motor vehicle system. The Bureau operates with 73 FTE and is involved with collecting approximately 5.5 million dollars in general fund fees and taxes. The Bureau performs duties in the following categories:

	<u>FY90 Volume</u>
Certificate of title	589,464
Registration	950,424
Lien filing and release	157,629
Dealers and manufacturers	1,462
Dealer compliance and investigation	166
Special plates and permits	17,321
Records handled	1,967,160

In the titling process, the Bureau received approximately 589,000 transactions resulting in the issuance of 412,645 titles in FY90. The process verifies and validates all documents submitted from the fifty-six county treasurers offices, lending institutions, dealers, government officials, other jurisdictions and the general public. If the documentation is correct, a Montana certificate of title is issued. If not, correspondence is generated to return the documentation for correction.

The lien filing and release process is an important function protecting the interest of both the lien holder and consumer, and is included in the title process. The added requirement for titling vessels and off road vehicles (new in FY90 and FY91) somewhat distorts the total number of transactions

handled. The bulk of vessel titling occurred in FY90, and off-road vehicles in both FY90 and FY91 with the assumption that approximately one third of these vehicles will change hands each year in the future.

Vehicles, vessels and off-road vehicles are required to be registered before they can be operated in Montana. This process originates with the fifty-six county treasurers and the Gross Vehicle Weight Division of the Montana Department of Highways. This is where taxes and fees are collected and information is obtained, recorded and a registration is issued for proof of payment and ownership. This registration information is vital to the law enforcement community, providing both information and protection through accurate and timely identification. The Bureau is responsible for ensuring that the 950,424 registrations processed are correct, proper and recorded. Approximately 40% of all registrations are directly entered into the system by the Bureau, while the remainder are entered by the "on-line" counties. A 2% increase in registrations is projected for FY91.

The Bureau collects fees and issues licenses to 1,462 motor vehicle dealers and manufacturers and maintains records as required by law of their activities. The Bureau investigates consumer complaints relating to violation of dealer statutes, odometer fraud, auto theft and document fraud (166 in FY90) and audits for dealer compliance as a part of its dealer licensing activity, requiring 7,000 miles of driving to reach various dealer establishments.

The Bureau processes applications and issues 3,643 special license plates and permits of various types. These applications are made directly to the Bureau, and the work involved is essentially a manual process. A new duty involved with special license plates will be the issuance of collegiate license plates beginning January 1, 1991. It is projected that at least 15,000 will be issued in FY91, and that another 10,000 will be issued in FY92.

The Bureau maintains both manual and automated files for each title and registration transaction. Information on all the required functions is maintained for inquiry and publication.

The Bureau distributes 7,000,000 pieces of information to the counties and the public annually; this includes license plates, secure documents and forms as required by Montana code. This distribution is expected to

increase by approximately 1,000,000 in FY91 due to the re-issue of license plates. This distribution is essential to the titling and registration system, as the forms and materials needed to operate the system must be available as required for use.

In addition to the automated functions the Registrar's Bureau provides, in FY90, 84,739 information requests were made by telephone, in writing, and in person, as well as over-the-counter titles being issued during regular business hours. This number is expected to drop as some of the activity was generated as a result of the system conversion begun in FY89.

The Bureau provides microfiche and microfilm of all transactions, maintaining approximately 1,000,000 manual and 1,300,000 automated/microfilmed records in order to assure a permanent record as required by law. These records systems are each expanding at the rate of approximately 300,000 records per year. A change in operating procedures will increase the number of records microfilmed by including for filming, any record which is pulled for inquiry. This increase will be approximately 175,000 records per year, but the effort will enhance the retrieval of records.

The products of the Bureau are the variety of forms and documents required to complete the registration and titling process. To deliver these items to our customers, the Bureau mails approximately 1,300,000 items annually.

Effective January 31, 1989, vessels were required to be titled. The bulk of the title processing occurred in FY90, with the issuance of 38,736 vessel titles. It is assumed that 10,000 vessels were not titled in FY90 and will be titled in FY91. It is further assumed that one-third of the vessels will change ownership in FY91, and in each year thereafter.

Effective January 1, 1990, off-road vehicles were required to be titled. It is assumed that 7,500 off-road vehicles will be titled in FY90 and one-third of the off-road vehicles will change ownership in FY91 and in each year thereafter.

The Bureau provides field training for county offices, financial institutions and motor vehicle dealers, and receives training and information through attendance at international, national and regional workshops and

conferences. The Bureau devoted 1,188 hours to giving and receiving instruction. Providing this information to the counties and dealers required 5,600 miles of driving.

Base Funding

The program is totally funded by the General Fund.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
<u>Bureau Services</u>				
--Titles issued	412,645	399,306	392,606	392,606
--Title transactions processed	589,464	576,125	569,425	569,425
--Liens filed	157,629	151,736	149,190	149,190
--Vehicles registered	950,424	969,432	950,500	950,500
--Dealer licenses issued	1,462	1,462	1,462	1,462
--Special licensing	3,643	18,643	13,643	4,750
--Personalized plates	11,996	12,000	12,000	12,000
--Duplicate plates	1,682	500	1,500	1,500
--Telephone calls/record searches	84,739	81,000	76,000	76,000
--Dealer quarterly reports filed	2,931	3,000	3,000	3,000
--Correspondence	115,474	100,000	100,000	100,000
<u>Microfilm/Records</u>				
--Status change of records	17,651	18,000	18,000	18,000
--Manual files accessed	64,546	58,000	52,200	52,200
--Documents microfilmed	1,877,707	2,065,477	2,065,477	2,065,477
--Records indexed	338,329	372,162	340,000	340,000
<u>Field Training</u>				
--Hours of instruction	1,188	1,307	1,200	1,200
--Miles driven	5,600	6,160	5,600	5,600
<u>Consumer Complaints</u>				
--Cases investigated	166	182	170	170
--Miles driven	7,000	7,700	7,000	7,000

Increase or Decrease from Base

<u>Item</u>	<u>Explanation</u>	<u>FY 92</u>	<u>FY 93</u>
Modification	Additional staffing to reduce customer delays at driver licensing stations statewide. Delays of up to two hours are attributed by the agency to a 22% increase in staff workload with no increase in personnel and the addition of the commercial vehicle licensing program in 1988. This modification would add 8.00 FTE, primarily to staff new express licensing stations in larger cities for license renewal only. The agency had originally requested \$930,124 in general fund and 20.20 additional FTE to accomplish this task. The agency has also proposed an increase in the license fee to fund the costs involved.	\$183,913	\$166,747
Base Adjustment	Increase driver examiner overtime	\$16,000	\$16,000

HIGHWAY PATROL DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	263.90	261.40	261.40	8.00	261.40	269.40
Personal Services	8,055,987.98	8,436,538				
Operating Expenses	2,039,589.54	1,913,067	8,144,764	350,768	8,139,099	8,489,426
Equipment	1,012,456.04	912,600	1,992,329	231,931	2,014,287	2,212,817
Total Agency Costs	<u>\$11,108,033.56</u>	<u>\$11,262,205</u>	<u>912,600</u>	<u>168,315</u>	<u>912,600</u>	<u>960,271</u>
			<u>\$11,049,693</u>	<u>\$751,014</u>	<u>\$11,065,986</u>	<u>\$11,662,514</u>
State Special Revenue Fund	10,630,379.75	10,744,353				
Federal Special Revenue Fund	477,653.81	517,852	10,536,718	756,979	10,550,948	11,155,138
Total Funding Costs	<u>\$11,108,033.56</u>	<u>\$11,262,205</u>	<u>512,975</u>	<u>-5,965</u>	<u>515,038</u>	<u>507,376</u>
			<u>\$11,049,693</u>	<u>\$751,014</u>	<u>\$11,065,986</u>	<u>\$11,662,514</u>

Overview

The Highway Patrol Division is responsible for patrolling the highways in Montana, enforcing traffic laws and investigating traffic accidents. The Patrol gives assistance and information to motorists, first-aid to those injured in traffic accidents, transports blood and medical supplies in emergency situations and assists other law enforcement agencies when requested.

The Highway Patrol Division is divided into five fiscal functions: Operations, Recruits, Communications, MCSAP and Speed Enforcement Squad. Their goals, authorizations, etc. follow.

- To provide assistance to other state, county and local law enforcement agencies as requested.
- To act as the enforcement arm of the Motor Vehicle Division.
- To assist the courts through service of legal papers, testifying in criminal cases.
- To provide assistance to the motoring public.
- To provide accident statistics as requested by individuals and other agencies.

Goals

- To provide for public safety through enforcement of traffic laws, engineering recommendations and public education.

Highway Patrol Operations

Authorization

44-1	part 1	General provisions
44-1	part 2	Highway Patrol Chief
44-1	part 3	Powers and duties of Chief relating to Officers
44-1	part 4	Appointment of Patrol Officers
44-1	part 5	Salaries and Expenses
44-1	part 6	Probationary status and tenure
44-1	part 7	Disciplinary action-preliminary procedures

- 44-1 part 8 Disciplinary action hearing and decision
- 44-1 part 9 Disciplinary action appeal to court
- 44-1 part 10 Jurisdiction of Patrol Officers
- 44-1 part 11 Procedure for arrests
- 44-11-101 Mutual assistance authorized
- 61 Title MCA Motor Vehicles

Base Program

Operations - The office of the Chief of the Highway Patrol performs policy making and administrative functions for the Division. The Chief also directs the planning, organizing and control of the 263.90 FTE.

Field Force Bureau - This bureau performs the line function of the organization and is responsible for planning, analysis, inspection and coordination of the agency's traffic enforcement activities.

The following bureaus operate with the objectives of supporting the Field Force Bureau.

Fleet and Supply Bureau - This bureau is responsible for all purchases, distribution, inventory and maintenance of division supplies and equipment.

Personnel and Training Bureau - This bureau is responsible for the personnel, training and safety education functions for the employees within the division.

Records Bureau - This bureau is responsible for receiving, maintaining and controlling all required field and communications reports.

Base Funding

This program is funded entirely with Highway Special Revenue funds.

Performance Indicators

	FY90	FY91	FY92	FY93
	Actual	Enacted	Base	Base
--Miles Traveled	5,845,000	6,000,000	6,000,000	6,000,000
--Enforcement Activity	191,750	195,000	195,000	195,000
--Safety Education Contacts	14,000	14,000	14,000	14,000
--Motorist Assists	19,500	20,000	20,000	20,000
--Other Agency Assists	5,250	5,250	5,250	5,250
--Violators Stopped	127,500	129,500	129,500	129,500
--Traffic Accident investigations	9,270	9,455	9,455	9,455

Highway Patrol Recruits

Goals

Provide each recruit, through training and instruction, with the basic knowledge and skills necessary to perform the functions required of a Highway Patrol Officer.

Authorization

44-1-601,MCA Probationary training and service of patrol officers

Base Program

Recruit Training School - The number of Highway Patrol recruits trained each year is based on projected vacancies. The Division trained 25 recruits in FY90. Recruits selected for attendance at the School undergo a multi-step selection process. This process requires written and physical ability testing, oral interview, physical examination, psychological screening, and credit history reviews to qualify for anticipated openings. The current level funding allows for training of 15 prospective officers in FY91. The school consists of 14 weeks of resident training in which over 700 hours of instruction are provided. Montana Law Enforcement Academy facilities are utilized for the training. Fifty-three uniformed Officers and 28 outside

agency instructors provide the instruction. Although many subject areas are taught, the five main areas are: traffic law, accident investigation, fire arms, vehicle operation and self-defense. Uniforms, textbooks, manuals, and instructional materials are provided for the recruits during training. Many of these materials carry over and serve as on-the-job references for the future Officers. The Recruit school training program serves as a base for the future performance and service provided by Montana Highway Patrol Officers.

Base Funding

This program is funded entirely with Highway Special Revenue funds.

Performance Indicators

	FY90	FY91	FY92	FY93
--Recruits trained	<u>Actual</u>	<u>Enacted</u>	<u>Base</u>	<u>Base</u>
	25	15	15	15

Communications

Goals

Provide an efficient and reliable law enforcement communication system that provides assistance and information to the Montana Highway Patrol, Criminal Justice Agencies and other service departments.

Authorization

44-1-102,MCA General duties of the Highway Patrol
 44-1-1-3,MCA Authority to make rules
 44-2-301/316,MCA Teletypewriter communication system
 Title 28, Part 20 Federal Judicial Administration, Criminal Justice Information Systems,Federal Communications Commission (FCC), Rules and Regulations, Part 90, Private Land Mobile Radio Services

Base Program

The three regional dispatch centers are manned 24-hours a day, 7-days a week by 25 communications operators (52,000 hours in FY90). The telephone responses for various agencies in FY90 are as follows: Highway Patrol 94,690, Governor's Office 154, Fish, Wildlife and Parks 1,100, Department of Commerce, Lottery 300, Department of Highways 12,174, Department of Institutions 555, Federal agencies 278, National Guard 1,124, Disaster and Emergency Services 2,452, Public Service Commission 363, Department of Livestock 11, and other Department of Justice divisions 10,721.

The Criminal Justice Information Network responses for various agencies in FY90 are as follows: Highway Patrol 88,367, Governor's Office 3, Fish, Wildlife and Parks 842, Department of Commerce, Lottery, 1,584, Department of Highways 512, Department of Institutions 829, Federal agencies 544, Disaster and Emergency Services 49 and other Department of Justice divisions 2,041.

Radio communications responses for various agencies in FY90 are as follows: Highway Patrol 932,371, Fish, Wildlife and Parks 3,432, Department of Highways 1,424, Federal agencies 105, National Guard 300, Disaster and Emergency Services 763, Public Service Commission 1,460, Department of Livestock 14 and other Department of Justice divisions 331.

Base Funding

This program is funded entirely with Highway Special Revenue funds.

Performance Indicators

	FY90	FY91	FY92	FY93
	<u>Actual</u>	<u>Enacted</u>	<u>Base</u>	<u>Base</u>
Radio Transmissions, CJIN				
--Messages & Telephone Calls	1,217,405	1,302,623	1,302,623	1,302,623
--Radio Installation, removal & calls for service	962	1,010	1,010	1,010
--Accidents and Incidents	35,131	38,995	38,995	38,955

Motor Carrier Safety Assistance Program

Goals

- To reduce the number of accidents involving commercial motor vehicles through enforcement of the Federal Motor Carrier Safety Regulations.
- To provide training for other agencies involved in commercial vehicle safety enforcement.
- To provide assistance to members of the motor carrier industry in the area of commercial vehicle safety.

Authorization

- 44-1-1005 Authorizes the State to adopt, by rule, standards for safe operation of motor carriers. General provisions of Motor Carrier Safety Program.
- 23.5.101 ARM Transportation of Hazardous Materials.
- 23.5.102 ARM Adopt Title 49, Code of Federal Regulations.
- 23.5.103 ARM Application of Safety Rules to Lightweight Vehicles.
- 23.5.104 ARM Exemption from Certain standards for Local Drivers.
- 23.5.105 ARM Implement safety inspection program.
- 23.5.106 ARM Membership in Commercial Vehicle Safety Alliance.
- 23.5.107 ARM Critical item inspection (define critical items)
- 23.5.108 ARM Inspection report procedures.
- 23.5.109 ARM Out of Service orders.
- 23.5.110 ARM CVSA decal procedures.
- 23.5.111 ARM Location of inspections.

FMCSR Title 49 :

- Subchapter B, Parts 387,390 thru 397 - Federal Safety Regulations.
- Subchapter B & C, Parts 171 thru 199 - Federal Hazardous Materials Regulations.

Base Program

The Motor Vehicle Inspection Bureau operates under a federal grant program administered by the Bureau of Motor Carriers. The Montana

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Highway Patrol is designated as the lead agency for managing this grant.

The bureau is comprised of one program manager, seven full-time truck inspectors and one clerical/data-entry position. The inspectors perform four levels of inspections on commercial motor vehicles:

Level 1	Full Inspection.
Level 2	Driver inspection and walk-around of vehicle.
Level 3	Driver only inspection.
Level 4	Special study inspections.

During FY90, 5,400 Level 1, 6,600 Level 2, 5,200 Level 3 and 530 Level 4 inspections were performed. The FY 1991 projection for Levels 3 and 4 are less than the actual number performed in FY 1990. This is due to a change in policy by the Bureau of Motor Carriers. The new policy requires that more time be spent by inspectors in performing Level 1 inspections and less time in performing other levels of inspections.

Highway Patrol officers and officers of the Gross Vehicle Weight Division of the Department of Highways aid in the accomplishment of the bureau's goal by performing random checks of commercial vehicle drivers and their equipment.

The bureau's vehicle inspectors also perform Safety Reviews (a review of a company's safety history) on Motor Carriers.

Base Funding

The Federal Bureau of Motor Carriers provides 80% of the operating budget for the program, and the State provides the remaining 20% in the form of soft match and a \$62,715 appropriation from the Highway Special Revenue fund.

HIGHWAY PATROL DIVISION

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
--Level 1 Inspections	5,400	7,000	7,000	7,000
--Level 2 Inspections	6,600	7,000	7,000	7,000
--Level 3 Inspections	5,200	3,800	3,800	3,800
--Level 4 Inspections	530	200	200	200
--Safety Reviews	200	200	200	200

Accident Prevention Unit

Goals

- To reduce the number of accidents in targeted high accident areas through saturation patrol and enforcement techniques.
- To maintain Montana's compliance with Federal Speed Limit regulations.
- To provide assistance to the motoring public.

Authorization

- 44-1 part 3 Powers and duties of Chief relating to Officers
- 44-1 part 10 Jurisdiction of Patrol Officers
- 44-1 part 11 Procedure for arrests
- 44-11-101 Mutual assistance authorized
- 61 Title MCA Motor vehicles

Base Program

The Accident Prevention Unit (APU) operates with 5 FTE, consisting of one supervisor (a Sergeant) and four Patrol Officers. The Highway Traffic Safety Division (grantor), in cooperation with the Highway Patrol, determine areas of the state that would most benefit from "saturation patrol". These areas are primarily those showing a high number of accidents, but can also be

high population areas, or areas that have not been saturated before. The benefits of the program have apparently been satisfactory to the federal government since we are entering the 12th year of the program.

Base Funding

The Accident Prevention Unit is funded as follows: three Officers' salaries, per diem expenses and vehicle operating expenses are funded by a Federal Highway Traffic Safety grant. The supervisor and one officer are funded by the Highway Special Revenue Account.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
--Miles Travelled	160,000	175,000	175,000	175,000
--Enforcement Activity	10,000	10,500	10,500	10,500
--Motorists Assisted	300	350	350	350
--Violators Stopped	6,500	7,500	7,500	7,500

Increase or Decrease from Base

Item	Explanation	FY 92	FY 93
Base adjustments	Adjustments to reflect actual FY90 activity level of the Montana Highway Patrol.	\$280,414	\$268,124

Modification

Additional staffing of 8.00 FTE includes four patrol officers and four communications operators. The present staffing levels of the communication centers are not adequate and, as a result, an increase in the communication operators is considered the highest priority of the Highway Patrol Division.

The present level of officers means that at the present time there are numerous counties in the state that do not have a patrol officer assigned to the area. When a serious accident or incident takes place in one of the many rural areas of Montana, the response time is measured in hours rather than minutes. In order for the patrol to maintain and/or improve their record in traffic safety there must be an increase in uniform manpower.

The modification also includes \$110,000 per year in prisoner per diem costs.

\$419,600 \$328,404

Modification

Handheld Radios - The purchase of handheld radios is an issue of officer safety. It is a standard set by law enforcement authorities on the national level as well as a requirement for continued accreditation of the Montana Highway Patrol. The original department request included \$51,000 for FY92 and

LAW ENFORCEMENT SERVICES DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993			
			Base	Incr/Decr	Recommended	Base	Incr/Decr	Recommended
Full Time Equivalent Employees	40.00	40.00	40.00	.75	40.75	40.00	1.00	41.00
Personal Services	1,200,886.56	1,262,621	1,273,199	28,576	1,301,775	1,273,351	36,311	1,309,662
Operating Expenses	385,116.54	495,142	491,496	1,966	493,462	494,001	-8,897	485,104
Equipment	89,696.21	36,404	36,404	47,163	83,567	36,404	-374	36,030
Total Agency Costs	\$1,675,699.31	\$1,794,167	\$1,801,099	\$77,705	\$1,878,804	\$1,803,756	\$27,040	\$1,830,796
General Fund	1,006,621.76	1,160,100	1,162,852	-79,950	1,082,902	1,164,507	37,720	1,202,227
State Special Revenue Fund	342,855.61	354,617	358,571	25,922	384,493	359,378	-9,316	350,062
Federal Special Revenue Fund	326,221.94	279,450	279,676	131,733	411,409	279,871	-1,364	278,507
Total Funding Costs	\$1,675,699.31	\$1,794,167	\$1,801,099	\$77,705	\$1,878,804	\$1,803,756	\$27,040	\$1,830,796

Overview

private entities in the state.

- To provide effective supervision to Fire Chiefs of incorporated cities, Fire Districts and County Sheriffs for the inspection of buildings and premises and investigation of fires.
- To accurately and efficiently record fire reports to provide quality data to local, state and federal government as well as private entities and to increase the number of participating fire departments.
- To provide improved regulation of the fire protection industry in Montana.
- To conduct or provide training for fire service personnel for inspection and investigation practices and fire incident reporting.
- To provide fire prevention and fire protection information to public officials and the general public.

The goals, authorizations, etc. of the three bureaus follow.

Fire Marshal Bureau

Goals

- To deliver high quality inspection and investigation services to public and

Authorization

50-3,MCA Describes powers, duties and rule making authority of State Fire Marshal and requires inspections of each state institution, each unit of the University System annually as well as public, business or industrial buildings.

50-39,MCA Requires a person or firm to obtain a Certificate of Registration, Permit or License from the State Fire Marshal prior to selling, servicing or installing fire equipment.

50-61,MCA Provides for public safety by requiring inspections of public buildings by Deputy State Fire Marshals, Fire Chiefs of each municipality or fire district and County Sheriffs under the general charge and supervision of the State Fire Marshal.

50-62,MCA Provides authority for the State Fire Marshal, his deputies and subordinates, the Chief of the fire department of each municipality or district or the County Sheriff where no fire department exists authority to enter all buildings and upon all premises for the purpose of determining whether the building or premises conforms to laws and rules relating to fire hazards and fire safety.

50-63,MCA Requires that the State Fire Marshal and each of his subordinates can enter at all times of day to examine any building or premises where a fire has occurred for the purpose of determining cause and requires those responsible for investigations to make reports to the State Fire Marshal containing required information prescribed by the State Fire Marshal.

52-2-734,MCA Requires the State Fire Marshal to adopt and enforce rules for protection of children in day care centers and requires inspection before a license can be issued.

53-5-304,MCA

Subjects rules adopted by SRS for adult foster family care homes to the advice and recommendations of the State Fire Marshal.

53-19-204,MCA

Requires the State Fire Marshal to certify annually for fire and life safety community homes for persons with severe disabilities.

53-20-307,MCA

Requires the State Fire Marshal to certify annually for fire and life safety community homes for persons with developmental disabilities.

Base Program

The State Fire Marshal Bureau provides direct investigation and inspection services throughout the state and, upon request by local agencies or private parties. The Bureau also provides supervision over local jurisdictions when, in the opinion of the State Fire Marshal, such supervision is required. The Bureau also provides investigative, code and incident report training to local and state agencies as well as the private sector. The Bureau regulates the fire protection industry by providing testing for Certificates of Registration, Licensing and Permits to sell.

In addition to the Helena office, the Bureau has four field offices which provide services for from eight to fourteen counties each. Bureau personnel teach fire investigation and incident reporting to local fire and law enforcement personnel and, upon request, at the Montana Law Enforcement Academy. The Bureau collects fire data information from local agencies and submits the data to the National Fire Information Council.

The objectives of this program will be to: manage a case load of approximately 100 fire cause investigations, 40 of which will require further investigation due to incendiary, suspicious or unknown causes; to process 15,000 plus fire reports from local agencies; to license and test 48 applicants from the fire protection equipment industry; to provide 100 hours of training to local agencies and private individuals on inspections, investigations and incident reporting; and to perform 641 inspections of private and public occupancies.

Base Funding

The Fire Marshal Bureau is funded entirely by the general fund. A 3/4 of 1% special tax on the fire portion of insurance premiums is levied for maintenance of the Bureau but, because no appropriation language is included in 50-3-109 MCA, these funds are deposited in the State General Fund.

Performance Indicators

	FY90 Actual 96	FY91 Enacted 96	FY92 Base 96	FY93 Base 96
--Investigations				
--Montana Fire Incident Reports	15,550	15,550	15,550	15,550
--Inspections Required	1,905	1,900	1,900	1,900
--Inspections Completed	650	650	650	650
--Classes Requested	91	90	90	90
--Classes Given	43	40	40	40
--Sales Permits, Certificates of Registration, Licenses	91	91	91	91

IDENTIFICATION BUREAU

Goals

- To accomplish a high level of compliance with the law mandating submission of fingerprints and court dispositions of persons arrested or noticed to appear if the charge of a felony, identification of the accused is an issue, if required by a court.
- To ensure that criminal history record information is complete, accurate, current, and secure.
- To ensure that dissemination of criminal history record information is disseminated only to those individuals and agencies authorized by law to receive it.

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- To provide competent and timely technical assistance to law enforcement agencies by responding to crime scenes to process physical evidence.
- To provide expert laboratory analysis of latent fingerprint evidence obtained from crime scenes or other evidentiary items legally obtained by law enforcement officers.
- To provide training to law enforcement officers in the performance of the criminal identification process.

Authorization

44-2-2,MCA Provides that the Department of Justice shall cooperate with law enforcement in the establishment of a state system of criminal identification and provide training to law enforcement officers.

44-5-101 thru 405 Provides the Department of Justice with authority to establish a state repository for collection, processing, preservation, and dissemination of criminal history record information.

Base Program

The Identification Bureau processes and classifies fingerprint cards submitted by all criminal justice agencies in the state. The program collects, stores, disseminates, and maintains security of records of court dispositions. This program provides technical assistance to law enforcement agencies by processing crime scenes for physical evidence. Laboratory analysis of latent fingerprint evidence is provided by the bureau which may result in expert testimony in court. The Identification Bureau provides training to law enforcement agencies related to the criminal identification process.

The objectives of this program will be to process 12,400 criminal fingerprint cards, 850 applicant fingerprint cards, 30 deceased fingerprint cards, perform 110,000 total transactions, service 120 submitting agencies, match 8,500 names, respond to 15 crime scenes, process 250 latent fingerprint

cases in the laboratory, and provide 80 hours of criminal identification training.

Base Funding

The Identification Bureau activity is funded by the general fund.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
--Fingerprint Cards processed	13,325	13,325	13,325	13,325
--Felonies	3,208	3,208	3,208	3,208
--Misdemeanor	9,130	9,130	9,130	9,130
--Applicant Fingerprint cards processed	821	821	821	821
--Deceased Fingerprint cards processed	26	26	26	26
--Miscellaneous (stops)	140	140	140	140
--Number Found By Search	113	113	113	113
--Names Matched on Report	8,219	8,219	8,219	8,219
--Agencies Submitting	115	115	115	115
--Crime Scenes Processed	9	9	9	9
--Latent Cases Analyzed	243	243	243	243
--Hours of Training Conducted	64	64	64	64

CRIMINAL INVESTIGATION BUREAU

Goals

- To conduct competent and effective criminal investigations in a timely and cost-effective manner.
- To provide competent specialized investigative training to law enforcement

officers enabling them to increase their ability to conduct effective criminal investigations of felony criminal activity.

Authorization

2-16-301,MCA	Provides for appointment of deputies and subordinate officers by the Attorney General and establishes that they possess the powers and may perform the duties attached by law to that office.
44-2-115,MCA	Describes the powers and duties of agents of the Department of Justice and provides that an agent shall conduct criminal investigations, conduct training for law enforcement officers, and act as a peace officer when requested by a city, county, state or federal law enforcement agency.
5-13-304(4),MCA	Provides that any apparent violation of the penal statutes disclosed by an audit of a state agency must be immediately reported to the Attorney General and the Governor.
45-8-309,MCA	Provides responsibility for maintaining a statewide registry of machine guns.
23-5-1013(c),MCA	Proves that the Assistant Director of Security for the state lottery shall report any alleged violation of law to the Attorney General for further investigation and action.

Base Program

The Criminal Investigation Bureau provides assistance to city, county, state and federal law enforcement agencies at their request by conducting criminal investigations of felonies committed in Montana, by investigating apparent violations of the penal statutes disclosed by an audit of a state agency conducted by the Legislative Auditor and reported to the Attorney General and the Governor, and by investigating allegations of criminal activity related to workman's compensation that are referred by the

Department of Administration, State Compensation Mutual Insurance Fund Legal Department. The program investigates allegations of criminal conduct related to discrimination of pricing of petroleum products, fraudulent handling of mining and oil company finances, and violations of the state lottery. The program maintains a statewide registry of machine guns. This program maintains a toll-free number for individuals to report dangerous drug activity, processes that information, pays rewards and administers a program to reimburse local law enforcement agencies for drug enforcement expenses authorized by the U.S. Drug Enforcement Administration. The program processes criminal intelligence information obtained as a result of investigative activity. The staff also provides training to law enforcement officers regarding specialized criminal investigations.

The objectives of this program will be to manage a caseload of approximately fifty (50) criminal investigations, process approximately two hundred and fifty (250) criminal intelligence reports, process 80 annual machine gun registrations, distribute \$5,000 in rewards, reimburse local law enforcement agencies for \$5,000 in expenses, and provide approximately forty (40) hours of training to members of the criminal justice system.

Base Funding

This program's activity is funded by general funds and federal funds. Federal funds are provided by the U.S. Drug Enforcement Administration and no match is required.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
--Investigations Initiated	50	50	50	50
--Investigations Completed	55	55	55	55
--Intelligence Reports processed	145	145	145	145
--Machine Gun Registration assessed	78	78	78	78

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--Number of Different Agencies assisted	45	45	45
--Rewards Distributed	3,200	3,200	3,200
--Funds Reimbursed Local Agencies	2,233	2,300	2,300
--Hours of Training Conducted	35	35	35

SPECIAL INVESTIGATION - EAST & WEST

Goals

To provide an adequate amount of specialized drug enforcement resources at the state level to fulfill a key element of an overall state strategy to address drug abuse and drug trafficking in Montana.

Authorization

44-2-115,MCA

Describes the powers and duties of agents of the Department of Justice and provides that an agent shall conduct criminal investigations, conduct training for law enforcement officers, and act as a peace officer when requested by a city, county, state or federal law enforcement agency.

2-15-501(6),MCA

Provides that, when required by the public service or directed by the Governor, it is the duty of the attorney general to assist the county attorney of any county in the discharge of his duties.

44-4-103,MCA

Provides for training and other assistance to county attorneys including applying for and disbursing federal funds available to aid the prosecutorial function.

44-3-301,MCA

Provides that the laboratory of criminalistics is to perform analysis of specimens submitted by law enforcement officers and state agencies.

LAW ENFORCEMENT SERVICES DIVISION

44 Chptr 10,MCA Provides for training of Montana law enforcement officers and other qualified individuals including accepting and expending grants from federal, state, county, and city governments or private persons, associations, or corporations.

Base Program

The Special Investigation Sections East and West, under the direction of the Criminal Investigation Bureau, conduct criminal investigations into illegal drugs and stolen property and provides drug enforcement investigative training to members of the criminal justice system. They also process criminal intelligence information obtained as a result of investigative activities. Other Department of Justice Divisions that support this program are:

The Forensic Science Division conducts analysis of drug samples.

The Legal Services Division provides prosecutorial training and legal assistance and also prosecutes dangerous drug cases in state and federal court.

The Law Enforcement Academy Division provides drug enforcement training to the criminal justice community of Montana.

The objectives of this program will be to manage a drug enforcement caseload of approximately one hundred fifty (150) criminal investigations, seize approximately two million dollars (\$2,000,000) worth of dangerous drugs, process approximately three hundred twenty-five (325) criminal intelligence reports, analyze approximately twelve hundred (1200) drug samples, provide legal assistance in approximately one hundred forty (140) drug prosecutions, and provide approximately two hundred fifty (250) hours of drug training to the criminal justice system.

Base Funding

The drug enforcement activity is funded by coal severance taxes, federal

grants, and the general fund. The coal severance taxes have been appropriated by the legislature to the Coal Board and then provided to a group of nine (9) counties in southeastern Montana that have formed an organization called the Eastern Coal Counties Task Force which, in turn, subcontracts with the Department of Justice, Criminal Investigation Bureau, to manage and operate an undercover investigative program based in Billings. The federal funding requires a match, which is supplied by the general fund.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
--Drug Investigations Initiated	146	150	150	150
--Drug Investigations Completed	132	150	150	150
--Arrests	80	80	80	80
--Value of illegal drugs purchased/seized	1,931,000	2,000,000	2,000,000	2,000,000
--Value of property seized	40,000	40,000	40,000	40,000
--Intelligence reports processed	325	325	325	325
--Hours of drug training conducted	240	250	250	250
--Number of drug prosecution cases handled	135	140	140	140
--Number of drug samples analyzed	1,150	1,200	1,200	1,200

Increase or Decrease from Base

<u>Item</u>	<u>Explanation</u>	<u>FY 92</u>	<u>FY 93</u>
Federal Grant	A federal grant for implementing fire prevention programs is included as a base increase for the Fire Marshal Bureau.	\$10,000	\$-0-
Equipment	An increase in equipment for the purchase of vehicles for undercover investigators amounts to \$35,000. The present practice has been to lease vehicles for undercover purposes. The department anticipates that the purchase approach will be a more cost effective means of providing vehicles. The equipment lease expenditure has been decreased by \$10,150 in each fiscal year.	\$24,850	(\$10,150)
Modification	An increase of 1.00 FTE criminal investigator is included to address the increase demand for investigative services. There has been a significant increase in requests for investigative assistance of felony criminal activity by city, county, state, and federal law enforcement agencies.	\$42,465	\$37,340

COUNTY ATTORNEY PAYROLL

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
	19.05	19.05	19.05	.00	19.05	19.05	.00	19.05
Personal Services	1,012,137.15	1,003,551	1,056,404	0	1,056,404	1,057,745	0	1,057,745
Total Agency Costs	\$1,012,137.15	\$1,003,551	\$1,056,404	\$0	\$1,056,404	\$1,057,745	\$0	\$1,057,745
General Fund	1,012,137.15	1,003,551	1,056,404	0	1,056,404	1,057,745	0	1,057,745
Total Funding Costs	\$1,012,137.15	\$1,003,551	\$1,056,404	\$0	\$1,056,404	\$1,057,745	\$0	\$1,057,745

Overview

The County Attorney Payroll Program pays one-half of the salary and benefits of the 56 county attorneys from the general fund.

Goals

- To have a formal document on file from each county authorizing that year's salary, prior to payment.
- Establish good communication with county clerk and recorders so that accurate and timely salaries and adjustments can be made.

Authorization

Section 7-4-2502,MCA Payment of salaries of county officials provides that the State shall pay one-half of the county attorneys salary from the general fund.

Base Program

The law (7-4-2502) states that one-half of the salaries of the 56 county attorneys shall be paid from the general fund. There are full-time and part-time county attorneys depending on population and county classification.

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However, county commissioners may convert a part-time to full-time with the consent of the county attorney (7-4-2706). Annual salary increases are by law and based upon a percentage derived by taking 70% of the annual change in the consumer price index.

Base Funding

The County Attorney Payroll program is totally funded by the general fund, by law.

Performance Indicators

Not applicable.

COUNTY ATTORNEY PAYROLL

LAW ENFORCEMENT ACADEMY DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
				Recommended		Recommended
Full Time Equivalent Employees	10.00	10.00	10.00	10.00	10.00	10.00
Personal Services	257,067.74	295,678	305,879	701	305,334	306,033
Operating Expenses	212,830.74	248,676	249,777	48,245	249,560	297,663
Equipment	20,154.10	8,071	8,071	-71	8,071	-71
Debt Service	4,699.52	0	0	0	0	0
Total Agency Costs	\$494,752.10	\$552,425	\$563,727	\$48,875	\$562,965	\$611,696
General Fund	494,752.10	552,425	563,727	48,875	562,965	611,696
Total Funding Costs	\$494,752.10	\$552,425	\$563,727	\$48,875	\$562,965	\$611,696

Overview

It is the mission of the Montana Law Enforcement Academy to provide Montana Law enforcement officers and other qualified individuals with a means of securing training in the field of law enforcement. The Academy provides an annual program of coursework and training opportunities specifically designed to meet the needs of the criminal and juvenile justice system. In FY89, 4,113 hours of police training were provided to 516 on-campus students and 1,265 regional students via 24 residential and 63 regional training programs.

Goals

The goal of the Montana Law Enforcement Academy is to enhance and improve the competence and professionalism of Montana law enforcement officers and associated criminal justice personnel through quality training and education.

Authorization

44-10-1.2,3 MCA establishes the Montana Law Enforcement Academy and outlines the general principles of government and attendance.

23.14.400 ARMS Peace Officers Standards and Training (P.O.S.T.) further define Academy functions and requirements.

Base Program

This Division is housed in Bozeman within eight state-owned modular mobile home buildings and consists of an Administrator and nine FTE's, who are presently organized into two segments of basic and professional programs. As a result of changes initiated by the Department of Justice, the Academy is currently pursuing a reorganization that will formalize agency structure and account for an expansion mandated by the 51st Legislature. The mandate will allow qualified civilians to gain an entry level police officer certification by paying their own way through the ten-week Basic Course. The first "pre-service" Academy students were in training in August 1990.

The administrative section provides the policy making, administrative, clerical and personnel support for the Division. The Division Administrator also has classroom and instructional duties. It is the objective of the administrative section to streamline procedures and routines in order to account for all Academy expansion and change without further increase in administrative costs. Other objectives include developing instructional roles for each member of the Academy staff (thereby reducing contract costs) and the creation of performance objectives and lesson plans for each Academy staffed course. A ten percent increase over FY90 levels of numbers of courses and numbers of students on-campus is also planned.

The legal section has instructional responsibility for at least fourteen weeks of on-campus legal training. In addition, this section will be responsible for other regional and update legal coursework. The short-term objective associated with this section will be to reduce contract costs and improve course numbers and scheduling.

The basic programs segment provides entry level police training opportunities to sworn officers, primarily through the ten-week basic course. The pre-service expansion will account for a student increase of forty students per year from 72 to 112. This will be done by adding one course per year and by increasing class size from 24 to 28. This expansion will be managed by additional funding for operations costs and personnel reclassification. In addition, one FTE slot that has remained vacant since May 1989, will be filled by hiring a training officer. All Academy expansion and funding increases proposed for the future in all Academy segments except the legal section will be funded by the tuition generated from pre-service students. The pre-service program will be self-funded from the start and shows the potential to generate a substantial contribution to the state general fund as the ratio of pre-service to sworn students changes within the Basic Course. Detention Officer Basic Training, also mandated by the 51st Legislature, rests within the basic programs segment of the Academy. In FY91, the number of Detention Officer Basic Courses shall go from three to four.

The professional programs segment provides advanced training opportunities to experienced personnel. Regional training courses and other outreach activities are essential providing continued education while still accounting for the manpower limitations faced at the local level. While

most FTE's within this Academy segment do have instructional duties, there is a larger share of program coordination duties associated with advanced training topics. Most grant funded training activities are managed through this Academy segment. For the near future, objectives for this segment include development and delivery of audio-taped update training, increasing the number of Executive Institute Programs and the implementation of a three stage grant-funded tactical team training project.

Base Funding

This program is funded entirely by the General Fund. All fees collected are deposited directly into the General Fund.

Performance Indicators

<u>Courses Conducted</u>	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
--On-campus	28	32	32	32
--Executive Institute	6	3	3	3
--Regional	97	100	100	100
<u>Officers Attending</u>				
--On-campus	575	700	700	700
--Executive Institute	240	120	120	120
--Regional	1,523	1,600	1,600	1,600
<u>Hours of Program Instruction</u>				
--On-campus	2,872	3,475	3,475	3,475
--Executive Institute	424	72	72	72
--Regional	1,711	1,800	1,800	1,800
<u>Administrative/Facility Use</u>				
--Program Number	27	30	30	30
--Hours	157	175	175	175
--Attendance	321	350	350	350

Increase or Decrease from Base

<u>Item</u>	<u>Explanation</u>	<u>FY 92</u>	<u>FY 93</u>
Pre-Service	The increase funds the pre-service component of the Law Enforcement Academy. Qualified civilians who are not employed by a law enforcement agency can attend MLEA Basic Course at their own expense and obtain certification as an entry level police officer. As civilians pay for their own training in this manner, costs to criminal justice agencies will be reduced and job turnover rates will be lowered. The net impact on the general fund is positive as the student fees are deposited into the general fund.	\$48,000	\$48,000

CENTRAL SERVICES DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Deer	----- Recommended	----- Base	Fiscal 1993 Incr/Deer	----- Recommended
Full Time Equivalent Employees	9.00	9.00	9.00	.00	9.00	9.00	.00	9.00
Personal Services	866,249.13	831,101	903,564	85,666	989,230	902,976	85,664	988,640
Operating Expenses	102,364.29	88,864	108,272	21	108,293	111,565	9	111,574
Equipment	5,406.11	0	0	5,000	5,000	0	5,000	5,000
Total Agency Costs	\$974,019.53	\$919,965	\$1,011,836	\$90,687	\$1,102,523	\$1,014,541	\$90,673	\$1,105,214
General Fund	165,638.59	176,859	186,513	-3,366	183,147	187,784	-3,412	184,372
State Special Revenue Fund	799,913.94	734,943	817,386	91,926	909,312	818,766	91,945	910,711
Proprietary Fund	8,467.00	8,163	7,937	2,127	10,064	7,991	2,140	10,131
Total Funding Costs	\$974,019.53	\$919,965	\$1,011,836	\$90,687	\$1,102,523	\$1,014,541	\$90,673	\$1,105,214

Overview

- Receive an unqualified opinion from the Legislative Auditor on the Department's financial statements, with no major recommendations.

The Central Services Division provides the administrative, budgetary, accounting and personnel services support for the Department of Justice.

Authorization

Title 17-7&8,MCA Deals with budgeting, appropriations and accounting matters.

Goals

- Establish and maintain Department-wide fiscal responsibility on behalf of the Attorney General.

Title 2-18,MCA Deals with state employee classification, compensation and benefits.

- Improve the delivery of overall personnel services to the department with emphasis during the next two years in: personnel policy development, better recruitment and retention and implementation of performance evaluations department-wide.

Base Program

The Central Services Division (CSD) provides the administrative, budgetary, accounting and personnel support for the Department of Justice. Following are some of the main functions and corresponding objectives of the program.

The CSD serves other programs within the Department administratively by providing a clearinghouse of information for not only budgetary, accounting and personnel queries, but for a variety of other topics that may require our

- Continue staff training to maintain proficiency in SBAS and payroll matters.

attention. In addition, the CSD Administrator is a member of the Attorney General's management team.

The budget function has the dual responsibility of managing the current year's expenditures so they do not exceed the appropriations and also planning and preparing the Department's budget for the following biennium. The current annual Department budget is approximately \$25 million (excluding gambling distributions).

The accounting function pays the bills and records revenue for the 90 responsibility centers used by the Department. The five accounting techs also prepare the bi-weekly payroll for the over 600 FTE's employed by the Department.

The personnel function assists programs in recruitment, writing position descriptions, handling grievances and generally dealing with personnel problems. In addition, Departmental personnel policies are drafted by this function.

Base Funding

The funding of CSD approximates the ratio of the many funding sources used by the Department. In the 1990-91 biennium, 47% was general fund, 51% Highway Special Revenue account and 2% Agency Legal Services proprietary account. We anticipate that the 1992-93 CSD budget will be funded in the same fashion.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
<u>Budget</u>				
--Annual Budget	\$24.9M	\$25.4M	\$27.8M	\$27.3M
<u>Accounting</u>				
--Claims processed	13,570	14,000	14,500	14,600
--F.T.E.	602	600	627	627
<u>Personnel</u>				
--Classification Action	60	60	80	60
--Recruitment Actions	75	75	75	75

Increase or Decrease from Base

<u>Item</u>	<u>Explanation</u>	<u>FY 92</u>	<u>FY 93</u>
Patrol Retirement	A pass through of Highway Patrol retirement funds is included in the Central Services budget. The base appropriation was not sufficient to meet the required expenditure level.	\$85,000	\$85,000
Replace Equipment	An increase in equipment is included to allow for the replacement of computer hardware and software.	\$5,000	\$5,000

DATA PROCESSING DIVISION

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
	15.00	15.00	15.00	.00	15.00	15.00	.00	15.00
Personal Services	426,750.28	453,479	464,733	1,067	465,800	464,553	1,068	465,621
Operating Expenses	439,486.50	477,638	414,434	18,421	432,855	414,090	23,184	437,274
Equipment	36,922.42	33,780	33,780	49,210	82,990	33,780	-290	33,490
Debt Service	29,669.42	0	0	34,122	34,122	0	34,122	34,122
Total Agency Costs	\$932,828.62	\$964,897	\$912,947	\$102,820	\$1,015,767	\$912,423	\$58,084	\$970,507
General Fund	666,054.62	666,055	682,947	102,533	785,480	682,423	57,956	691,983
State Special Revenue Fund	266,774.00	266,774	230,000	287	230,287	230,000	128	272,914
Total Funding Costs	\$932,828.62	\$932,829	\$912,947	\$102,820	\$1,015,767	\$912,423	\$58,084	\$964,897

Overview

The Data Processing program provides a full range of automated data processing and telecommunication services for the Department of Justice including: system development and maintenance of the motor vehicle registration system, driver history system, criminal history record information system, and Montana Uniform Crime Report; computer operator support for the Army computer center; and system development and support for the Criminal Justice Information Network (CJIN). CJIN links law enforcement/criminal justice agencies with information sources at local, state, and national levels by interfacing with the National Law Enforcement Telecommunications System (NLETS), the National Crime Information Center (NCIC) and numerous State of Montana files.

Goals

- To provide automated data storage and retrieval systems that can provide reliable information for management decisions.

- To provide automated means of meeting the ever increasing work loads in the Department in the most efficient manner possible.

- To provide Montana law enforcement agencies with a telecommunications link to state and federal criminal justice data bases, and to other law enforcement agencies.

- To ensure that Montana terminal agencies comply with federal and state policy and security standards associated with the access of Criminal Justice data bases.

- To provide a safe and reliable processing environment for the Department's critical computer applications.

- To process jobs in a timely manner.

- To resolve end-user problems.

Authorization

44-2-301,MCA Authorization to establish the law enforcement telecommunication system. This authorizes the Attorney General to establish a permanent teletypewriter communications system for the purpose of connecting federal, state, county, and city law enforcement agencies by teletype.

44-2-302,MCA Powers of Attorney General. Authorizes the Attorney General to acquire facilities, and equipment to establish the law enforcement telecommunications system, and hire personnel to operate such a facility.

Base Program

The Applications Section, with 8 FTE, provides programming support for all Justice programming, requiring approximately 9000 man hours to complete 200 service requests. Also, two new major application requests are completed each year.

Over the past five years, the Applications Section of the Data Processing Division has developed automated systems that keep track of the driving history record of over 650,000 licensed drivers, that keep track of over 1.2 million titled vehicles in Montana, maintains a criminal history file on over 85,000 convicted criminals and a system that makes all this information and more available to law enforcement agencies throughout the United States.

Criminal history information made available through the Criminal Justice Information Network is a vital part of the total law enforcement effort in Montana and is shared with 66,000 law enforcement agencies in the United States.

The CJIN Section consists of 3 FTE's. Operational goals of CJIN Services include: operator training and certification; operational and technical assistance to the user; maintenance of Department of Justice owned hardware and software; and performance of all functions associated with being the NCIC and NLETS Control Terminal Agency.

This year, CJIN Services will be expanding levels of operator training programs available throughout the state. With the near completion of certification of all terminal operators, a biennial re-certification program will be designed and implemented.

The CJIN Services staff provides 24 hour assistance to users in the operation of their telecommunications equipment and to answer technical questions regarding the use of the system. Currently, CJIN handles approximately 11,000 calls annually. Through the enhanced operator training and certification programs a 15% reduction in trouble calls will be achieved.

CJIN Services establishes and enforces policies, standards and objectives for CJIN within broad guidelines set by state and federal statutes, NCIC and NLETS. Included in these objectives are: the development and delivery of a new CJIN/NCIC biennial compliance audit; creation and implementation of quality control programs to ensure accurate, timely and complete records; enforcement of CJIN, NCIC and NLETS policy and security standards; and the addition of new Montana users to the law enforcement telecommunications system. We continually strive to provide system enhancements. A Canadian interface is in progress, and plans are being developed for Montana's participation in NCIC's III (criminal history information) program.

The Computer Operations Section is responsible for ensuring the continued operation of the Department of Justice's mainframe computer. The computer system processes information supplied by the Registrar's Bureau and on-line county treasurer's; the Driver Services Bureau and on-line driver examiners; CJIN Services and on-line law enforcement agencies; the Board of Crime Control; and the Identification Bureau. Data stored on the system includes Montana's stolen vehicle, wanted person, criminal history, vehicle registration, and driver license-history files.

The operations staff consists of 4 FTE's. The staff is responsible for submitting and monitoring jobs, printing and distributing output, scheduling and performing system maintenance including file backups, error analysis and recovery. The computer operations staff also provides first level troubleshooting assistance for on-line county treasurer's and on-line driver examiners.

In addition, the computer operations staff coordinates network changes with the Department of Administration and maintains an inventory of the Department's data processing equipment.

Base Funding

Funding for the Data Processing Division comes from two sources: (A) a user fee that is assessed for access to the Criminal Justice Information Network, and (B) the State general fund.

Performance Indicators

<u>Applications Section</u>	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
--New Applications	2	2	2	2
--Service Requests	200	200	200	200
CJIN				
--Operators Trained	312	350	350	350
--Operators Certified	396	250	200	175
--Trouble Calls	10,950	9,308	7,911	7,911
--Agencies Audited	40	43	42	42
Computer Operations				
--Trouble Calls received	1,120	1,150	1,200	1,200
--Jobs Processed	14,300	14,500	15,500	15,500
--New Users Added	8	10	10	10

Increase or Decrease from base

<u>Item</u>	<u>Explanation</u>	<u>FY 92</u>	<u>FY 93</u>
Air Conditioner	The replacement of the air conditioner that cools the mainframe computer in the sub-basement of the National Guard Armory is essential. The present system is old, maintenance is expensive and parts are difficult to obtain. A failure of the unit shuts down vehicle registrations, driver licenses, all criminal history information and access to the Criminal Justice Information Network.	\$49,400	\$-0-
ISD Fee Increase	A 10% increase in the Department of Administration mainframe processing fee is included as adjustment to base. The fee covers hardware and software enhancements as well as technical support provided by the Department of Administration.	\$52,530	\$57,300

EXTRADITION & TRANSPORTATION OF PRISONERS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993		Recommended
			Base	Incr/Decr	Base	Incr/Decr	
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00
Operating Expenses	191,751.41	146,875	148,993	18	149,002	8	149,010
Total Agency Costs	\$191,751.41	\$146,875	\$148,993	\$18	\$149,002	\$8	\$149,010
General Fund	191,751.41	146,875	148,993	18	149,002	8	149,010
Total Funding Costs	\$191,751.41	\$146,875	\$148,993	\$18	\$149,002	\$8	\$149,010

Overview

be paid to an agent of the Governor by the Attorney General out of the State treasury.

Base Program

The Extradition and Transportation of Prisoners program reimburses county sheriffs, or their agents, for the allowable costs of transporting prisoners. Before paying a sheriff, the Department of Justice's Central Services Division requires proper supporting documents, some proof that the prisoner was delivered, or in the case of an extradition, signed papers from the Governor, and reviews the travel voucher to insure compliance with statute.

Base Funding

The program is funded by the general fund.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
--Prisoners Transported	395	400	400	400
--Prisoners Extradited	120	120	120	120

Goals

- To explore methods to cut transportation costs.
- To establish good communication with the law enforcement community to ensure that proper reimbursement rules are followed.
- To process claims in a timely fashion.

Authorization

7-32-2144,MCA Mileage and expenses of sheriff to be paid by the Attorney General for delivery of prisoners and mentally ill persons to Montana detention centers, and State mental health facilities.

46-30-411,MCA The expenses of bringing fugitives back to this State are to

FORENSIC SCIENCE DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	17.00	17.00	17.00	.00	17.00	17.00	.00	17.00
Personal Services	470,075.77	625,331	684,002	1,585	685,587	684,164	1,581	685,745
Operating Expenses	324,231.85	266,976	280,815	170	280,985	282,091	72	282,163
Equipment	63,982.92	108,000	60,000	75,000	135,000	60,000	0	60,000
Total Agency Costs	\$858,290.54	\$1,000,307	\$1,024,817	\$76,755	\$1,101,572	\$1,026,255	\$1,653	\$1,027,908
General Fund	665,596.54	754,708	810,936	62,686	873,622	812,068	2,605	814,673
State Special Revenue Fund	192,694.00	197,599	213,881	14,069	227,950	214,187	-952	213,235
Federal Special Revenue Fund	0.00	48,000	0	0	0	0	0	0
Total Funding Costs	\$858,290.54	\$1,000,307	\$1,024,817	\$76,755	\$1,101,572	\$1,026,255	\$1,653	\$1,027,908

Overview

The Forensic Science Division Program, which includes the Criminalistics Laboratory and the State Medical Examiner, provides for the training of personnel and the management and coordination of services in criminal cases for state and local criminal justice agencies. The Division provides for a statewide death investigation system to determine the cause of death, provides a scientific examination of specimens and evidence submitted by law enforcement, coroners, and other state and local agencies, and provides forensic training to state and local criminal justice personnel. The Laboratory provides scientific tests on firearms, toolmarks, hairs, fibers, paints, glass, volatiles, drugs, blood, body fluids, and tissues. The Laboratory also analyzes blood, breath and urine samples, trains and certifies all law enforcement personnel, and maintains and certifies all instruments for the enforcement of driving under the influence of alcohol or drug statutes.

Goals

- To provide for a timely, efficient and objective analysis of physical evidence in criminal cases.
- To provide for an efficient and effective death investigation system.
- To improve and expand the crime scene investigative capabilities available to state and local jurisdictions.
- To provide expert testimony in court regarding forensic matters.
- To improve and expand the training provided to state and local criminal justice personnel in the area of evidence collection and management, forensic autopsies, death investigations, breath testing, and crime scene investigations.

Authorization

44-3-101,MCA Montana Forensic Science System Act. Assigns the responsibility of determining the cause of death, analyzing specimens, providing reports and testimony, and providing training to the Department of Justice.

Base Program

The Forensic Science Division provides support services to state and local criminal justice agencies. The purpose of the Division is to provide laboratory services, medico-legal services, expert testimony and other kinds of scientific support services needed by the criminal justice system to solve, prosecute, or otherwise deal with crimes committed in the State of Montana. The kinds of services provided by the Division are not provided by other governmental units or private industry in this state. The Division is divided into three work units comprised of administrative support, Office of the Medical Examiner, and Laboratory of Criminalistics.

The administrative support unit is comprised of the Division Administrator, Evidence Technician, and two secretaries. The administrative support unit provides administrative direction and support to the other units of the Division. Under base funding the objectives of the administrative support unit are to develop an automated management information system, reduce laboratory vacancies to 5% or less, and maintain the services of a qualified full-time Chief Medical Examiner.

The Office of the Chief Medical Examiner is comprised of the Chief Medical Examiner and a forensic scientist. They provide autopsies, crime scene investigations, and training for associate medical examiners and coroners. Since 1987, the Chief Medical Examiner's office has been vacant 44% of the time, due in part to low salaries and a shortage of qualified people. Under base funding, the objectives of the Office of the Medical Examiner are to perform 100 autopsies, provide 16 hours of training to 120 coroners and associate medical examiners and provide expert testimony at 12 trials.

The Laboratory of Criminalistics is comprised of twelve forensic scientists. They provide scientific analysis of physical evidence. For the last three-

year period the laboratory has been seriously understaffed. Forensic scientist positions have been filled with trained and qualified persons only 65% of the time. Low salaries were responsible for the Division hiring mostly untrained personnel, and training them only to lose them to other laboratories who were willing and able to pay much higher salaries.

Under base funding the objectives of the Laboratory of Criminalistics are to provide laboratory analysis of:

- 800 drug cases with an average turnaround time of 4 weeks.
- 600 toxicological cases with an average turnaround time of 2 weeks,
- 1300 blood/alcohol cases with an average turnaround time of 1 week,
- 200 serology cases with an average turnaround time of 5 weeks,
- 50 firearms and toolmarks cases with an average turnaround time of 5 weeks,
- 150 trace evidence cases with an average turnaround time of 5 weeks,
- 40 arson cases with an average turnaround time of 5 weeks. And,

Provide training as follows:

- 20 hours of breath test operator training to 200 law enforcement personnel,
- 24 hours of breath test supervisor training to 30 law enforcement personnel,
- 40 hours of breath test technician training to 10 law enforcement personnel.
- Perform 10-hour periodic maintenance program on 35 state owned Intoxilyzer 5000 breath test instruments. and

Provide expert testimony for 100 trials.

Base Funding

The Forensic Science Division is primarily funded by the general fund. It also receives approximately 20% of its total funding from alcohol taxes in the state special revenue fund. A federal grant, administered by the Law Enforcement Services Division, funds a forensic scientist position in the lab.

Performance Indicators

	FY90	FY91	FY92	FY93
	<u>Actual</u>	<u>Enacted</u>	<u>Base</u>	<u>Base</u>
--Case load	2,350	2,460	2,590	2,710
--Training Manhours	4,000	6,000	7,000	7,000
--Autopsies	20	100	100	100
--Court Appearances	80	102	112	112
--Equipment PM's	17	35	35	35
--Laboratory Staffing	65%	90%	95%	95%

Increase or Decrease from Base

<u>Item</u>	<u>Explanation</u>	<u>FY 92</u>	<u>FY 93</u>
Replace Equipment	An increase in equipment appropriation is included for the replacement of a Gas Chromatograph with Mass Selective Detector. This is without a doubt the single most important piece of equipment within the laboratory. A minimum of six forensic scientists use this piece of equipment to do their work. The department had originally requested \$110,000 for the equipment.	\$75,000	\$ -0-

DEPARTMENT OF TRANSPORTATION

DEPARTMENT OF TRANSPORTATION

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DEPARTMENT OF TRANSPORTATION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	1,933.83	1,933.83	1,984.32	-2.50	1,981.82	1,984.32	-2.50	1,981.82
Personal Services	54,795,688.70	58,953,679	61,687,772	284,977	61,972,749	61,724,871	216,075	61,940,946
Operating Expenses	187,443,203.00	168,207,258	171,132,093	50,197,166	221,329,259	171,352,853	17,773,940	189,126,793
Equipment	6,500,547.80	6,296,507	6,312,007	414,371	6,726,378	6,312,007	67,923	6,379,930
Capital Outlay	3,456,888.49	7,296,590	7,296,590	-4,120,690	3,175,900	7,296,590	-4,220,690	3,075,900
Local Assistance	0.00	0	243,000	0	243,000	243,000	0	243,000
Grants	14,225,753.01	14,230,000	15,999,684	1,395,000	17,394,684	15,999,684	-905,000	15,094,684
Transfers	43,451,267.30	30,881,195	36,313,470	-3,244,013	33,069,457	36,313,470	-10,237,855	26,075,615
Debt Service	13,961.75	49,269	49,269	0	49,269	49,269	0	49,269
Total Agency Costs	\$309,887,310.05	\$285,914,498	\$299,033,885	\$44,926,811	\$343,960,696	\$299,291,744	\$2,694,393	\$301,986,137
General Fund	0.00	0	535,974	53,732	589,706	535,884	-126,122	409,762
State Special Revenue Fund	198,666,940.84	176,774,921	186,506,139	9,076,525	195,582,664	186,617,703	-18,424,672	168,193,031
Federal Special Revenue Fund	97,097,925.31	94,995,848	97,549,663	35,800,056	133,349,719	97,572,192	21,543,807	119,115,999
Proprietary Fund	14,122,443.90	14,143,729	14,442,109	-3,502	14,438,607	14,565,965	-298,620	14,267,345
Total Funding Costs	\$309,887,310.05	\$285,914,498	\$299,033,885	\$44,926,811	\$343,960,696	\$299,291,744	\$2,694,393	\$301,986,137
General Operations	21,722,478.17	22,428,009	22,585,626	612,609	23,198,235	22,608,529	293,579	22,902,108
Construction	169,731,680.00	155,610,302	157,972,969	41,715,414	199,688,383	157,993,400	9,705,182	167,698,582
Maintenance	44,279,949.42	46,304,330	46,970,149	1,912,828	48,882,977	46,948,572	2,110,668	49,059,240
State Motor Pool	1,017,227.25	1,027,166	1,043,573	-271,331	772,242	1,051,525	-424,643	626,882
Equipment	13,105,216.65	13,116,563	13,345,139	239,097	13,584,236	13,461,200	114,458	13,575,658
Motor Fuels	0.00	0	689,791	-16,587	673,204	686,514	-16,556	669,958
Interfund Transfers	43,451,267.30	30,881,195	36,303,470	-3,244,013	33,059,457	36,303,470	-10,237,855	26,065,615
Stores Inventory	13,209,039.41	12,744,300	12,862,201	2,251,844	15,114,045	12,978,777	2,107,253	15,086,030
G.V.W.	3,370,451.85	3,802,633	3,843,869	284,494	4,128,363	3,845,055	97,394	3,942,449
Aeronautics	0.00	0	1,009,582	3,508	1,013,090	1,009,329	-14,212	995,117
Transportation	0.00	0	2,407,516	1,438,948	3,846,464	2,405,373	-1,040,875	1,364,498
Total Program Costs	\$309,887,310.05	\$285,914,498	\$299,033,885	\$44,926,811	\$343,960,696	\$299,291,744	\$2,694,393	\$301,986,137

Mission and General Description

Agency Description:

The expressed goals of the proposed Department of Transportation are as follows:

1. To improve Montana's multi-modal transportation planning by consolidating into a single agency all those transportation-related functions that include planning, development, and safety for the purpose of offering a unified vision of Montana's transportation needs.

2. To ensure that adequate, safe and efficient transportation facilities and services of all modes are available within the state to support and promote economic growth.

3. To enhance public service and convenience by providing 'one-stop shopping' for certain licenses, fees, and taxes relating to transportation.

4. To improve overall government efficiency and to reduce costs by streamlining services and eliminating duplicate efforts and programs.

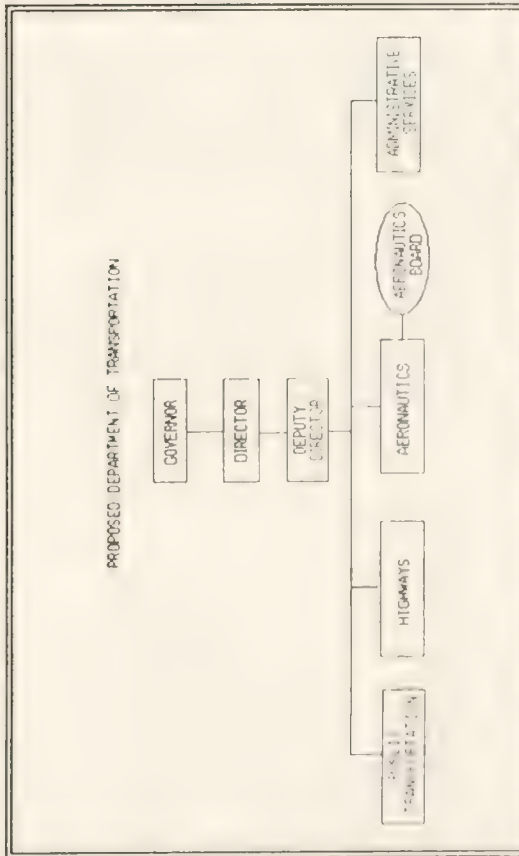
Budget Issues:

Reorganization

The proposed Department of Transportation is created by combining the Aeronautics Division and Transportation Division of the Department of Commerce, the Motor Fuel Tax Division of the Department of Revenue, and the Department of Highways into one department.

The Highway Commission and the Aeronautics Board will continue to fulfill statutory responsibilities for their respective divisions of the Department of Transportation.

With the exception of various financial and administrative functions, the organization of programs and divisions transferred to the proposed Department of Transportation will remain unchanged. The financial and management services of the proposed Department of Transportation would be unified through the creation of an administrative services program. The following table represents the organization of the major components which will comprise the proposed Department of Transportation.



DEPARTMENT OF TRANSPORTATION

FY92-93 Base:

The sources of the Department of Transportation FY92-93 recommended current level budget, excluding the recommended modification above base, are shown in Table 1 below:

TABLE 1 Department of Transportation FY92-93 Recommended Budget			
	FTE	FY92 REQUEST	FY93 REQUEST
Department of Highways	1933.83	315,678,117	288,850,955
Aeronautics Division	9.60	930,961	930,312
West Yellowstone Airport	1.39	65,129	64,805
Transportation Division	13.00	3,346,464	1,364,498
Motor Fuel Tax	23.00	673,204	669,958
	=====	=====	=====
Department of Transportation	1980.82	320,693,875	291,880,528

Funding

Currently the department policy is to aggressively pursue federal funds for road construction. The department will adopt as its policy the use of federal funds to replace, to the greatest extent possible, reconstruction trust funds. The objective is save reconstruction trust funds for future years.

Approximately 56% of the proposed Department of Transportation funding is derived from highway state special revenue. The remaining portions of funding are approximately 39% federal revenue and approximately 4% proprietary funds. Less than 1% of the funding for the proposed Department of Transportation is general fund for transportation planning in the Public Transportation Division.

AGENCY SUMMARY

Table 2 shows the projected fund balance for the highway special revenue accounts. The FY92-93 columns use the recommended budget. Projected expenditures in FY94 and FY95 were increased approximately 2% for inflation with the following exceptions: (1) the Highway Division

construction budget was determined by the anticipated work and construction program during FY94 and FY95, and (2) the expenditures for local government distributions, debt service, building payments, public transportation, long-range building plan, and Department of Fish, Wildlife and Parks remain unchanged.

TABLE 2
PROJECTED FUND BALANCES
HIGHWAY STATE SPECIAL REVENUE ACCOUNTS

	FY90 (actual)	FY91 (approp)	FY92 (request)	FY93 (request)	FY94 (inflated)	FY95 (inflated)
BEGINNING CASH BALANCE	145,538,178	129,627,153	92,562,940	64,267,333	46,634,019	28,040,865
REVENUE:						
G.V.W. Fees:	26,739,312	24,042,000	25,530,575	25,530,575	25,530,575	25,530,575
Gasoline Taxes	82,297,751	82,702,000	82,632,000	82,594,000	82,594,000	82,594,000
Diesel Taxes	23,821,548	25,140,000	25,876,000	26,819,000	26,819,000	26,819,000
Accounts Receivable:	4,978,078	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Stores	13,605,350	14,873,441	15,114,045	14,123,639	14,406,112	14,694,234
Coal Tax	8,144,464	6,343,000	5,012,000	4,830,000	4,830,000	4,830,000
Interest Earnings	3,925,574	710,000	0	0	0	0
Other: (i.e. court fines)	20,366	0	0	0	0	0
Total Revenues:	163,532,443	155,060,441	155,414,620	155,147,214	155,429,687	155,717,809
EXPENDITURES:						
Dept. of Transportation:						
-- General Operations	6,075,639	6,308,987	6,988,663	6,737,016	7,061,216	7,233,825
-- Local Government	14,003,748	14,003,750	14,150,000	14,150,000	14,003,750	14,003,750
-- Construction						
- Planning/Design:	5,028,133	5,583,488	7,597,178	7,638,035	4,600,534	4,650,559
- Fed/State Construction:	29,316,277	34,465,574	34,795,090	31,559,989	28,976,554	29,460,824
- Reconstruction	41,025,782	41,996,597	27,454,184	12,339,282	20,007,307	20,003,731
- Maintenance	44,480,936	47,224,019	49,144,296	49,320,559	48,636,867	49,593,492
- Stores	13,209,039	14,873,441	15,114,045	15,086,030	14,406,112	14,694,234
- Bond & Principal Pymts	10,566,904	10,647,833	10,655,333	18,476,333	18,480,983	18,483,983
- G.V.W.	3,370,452	3,802,633	4,128,363	3,942,449	4,011,040	4,088,027
- Fuel Tax Section	767,500	848,224	673,204	669,958	740,963	740,963
- Public Trans Division	71,250	71,250	71,250	71,250	71,250	71,250
Subtotal: D of T:	167,915,660	179,825,796	170,771,606	159,990,901	160,996,576	163,024,638
Department of Justice	10,824,398	10,931,550	12,862,570	12,713,588	11,283,803	11,502,918
Dept. of Administration	457,942	1,291,278	0	0	1,666,899	87,394
Highway Traffic Safety	60,950	76,030	76,051	76,039	75,563	75,563
Subtotal: Other Agencies:	11,343,290	12,298,858	12,938,621	12,789,627	13,026,265	11,665,875
Total Expenditures:	179,258,950	192,124,654	183,710,227	172,780,528	174,022,841	174,690,513
RETAINED EARNINGS (LOSS):	(15,911,025)	(37,064,213)	(28,295,607)	(17,633,314)	(18,593,154)	(18,972,704)
ENDING BALANCE:	129,627,153	92,562,940	64,267,333	46,634,019	28,040,865	9,068,161

GENERAL OPERATIONS PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	168.93	168.93	168.93	1.00	168.93	1.00
Personal Services	4,421,226.31	4,952,526	4,984,988	41,403	4,981,707	41,321
Operating Expenses	2,800,142.23	3,059,783	3,034,938	404,034	3,061,122	157,186
Equipment	264,207.79	139,500	139,500	167,172	139,500	95,072
Grants	14,225,753.01	14,230,000	14,380,000	0	14,380,000	0
Debt Service	11,148.83	46,200	46,200	0	46,200	0
Total Agency Costs	\$21,722,478.17	\$22,428,009	\$22,585,626	\$612,609	\$22,608,529	\$293,579
State Special Revenue Fund	20,150,636.57	20,529,385	20,646,444	504,511	20,657,995	247,876
Federal Special Revenue Fund	1,571,841.60	1,898,624	1,939,182	108,098	1,950,534	45,703
Total Funding Costs	\$21,722,478.17	\$22,428,009	\$22,585,626	\$612,609	\$22,608,529	\$293,579

Overview

The General Operations Program provides administrative services for the department including general administration and management, accounting, planning, research, central services and personnel. This program administers the statutorily established distribution of gas tax funds (\$14,000,000) to Montana cities and counties.

Goals

- To provide overall policy direction to the department in a manner consistent with the Governor's agenda and legislative intent.
- Direct the support of the overall operations and financial management of the department.
- To administer the federal highway funds in a manner to maximize the investment in Montana highways.

Authorization

60-2-201, et seq, MCA Describes the general powers of the department to construct.

reconstruct and maintain all public highways and bridges under the department's responsibility.

60-2-110, MCA

Authorizes the Highway Commission to establish priorities, select and designate projects for construction and reconstruction on the interstate and primary systems.

60-2-111 & 112, MCA

Authorizes the Commission to let all contracts for work along on state and federal-aid highways.

60-2-104, MCA

The Commission designates highways on the primary and secondary systems and selects routes of the interstate system. Designates highways included in the state maintenance system.

61-8-303, 309, MCA

Authorizes the Commission to set speed limits on all highways under its jurisdiction.

PL-100, The Surface

Provides the level of federal funds Transportation and for the construction and Uniform Relocation reconstruction of highway and Assistance Act of 1987 Bridge projects.

Base Funding

The Program Development Division receives 1½ percent of the federal highway funds for planning and research activities. The Highway Earmarked Revenue Account funds the remainder of this program.

Base Program

The General Operations Program consists of the Director's office and staff, the Highway Commission, the Program Development Division, the Centralized Services Division and the Personnel Division. These offices provide general administration and management direction; maintain contact with federal funding agencies; develop construction project levels and selections; develop personnel policies and procedures; provide the general administrative support, fiscal functions, data processing, inventory management and procurement and word processing.

The Director's office provides input at the national level to attempt to ensure the State of Montana receives equitable funding in the reauthorization of the Surface Transportation Act in 1991. Under base funding, the Director's objective is to manage an increased workload within current funding and staff levels.

The Director's Information Unit staff disseminates construction road reports, winter road reports and provides the Director and other department staff a variety of information and communication issues. The Audit Unit is responsible for audits of external contracts by the department, contractor claims, right-of-way condemnation or damage claims and interstate truckers registered under the International Registration Plan (IRP).

The Program Development Division's objective is to obligate all state and federal-aid highway funds available to Montana. The division also develops a long-range construction program to minimize the lane miles of critically deficient highways in Montana.

Performance Indicators

	<u>FY90 ACTUAL</u>	<u>FY91 ENACTED</u>	<u>FY92 PROPOSED</u>	<u>FY93 PROPOSED</u>
Federal-Aid Funds Obligated vs. Authority Available	\$100M	\$100M	\$100M	\$100M
Interstate System Lane Miles Scheduled for Contract	567	158	169	327
Primary System Lane Miles Scheduled for Contract	483	608	218	271
Secondary System Lane Miles Scheduled for Contract	56	168	165	129
Urban System Lane Miles Scheduled for Contract	5	13	6	3

Increase or Decrease from Base

<u>Item</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Modification Requests: Road Reporting System	This modification authorizes the additional communication costs being incurred as a direct result of the public's requests for updated road condition reports. The traveling public is demanding updated road information during both the winter and summer months. Actual FY 90 road condition report requests were 53% (approx.) higher than anticipated. In addition, the modification allows the department to pay for the additional communication costs incurred as a direct result of upgrading the traffic recording devices. The new traffic recording devices will transmit the data through the telephone lines.	\$ 30,614	\$ 31,494
DOT Organizational Costs	The formation of the Department of Transportation entails a variety of auxiliary costs such as moving expenses, physical site changes and operating changes. This modification will provide authority for these organizational costs.	\$ 75,000	\$ 0

DEPARTMENT OF TRANSPORTATION

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GENERAL OPERATIONS PROGRAM

Reorganization:

Department of Transportation

The proposed Department of Transportation will receive one FTE from the Department of Revenue. This position is a Programmer Analyst and will continue with the automation of the motor fuels tax, as well as assisting in the increased work load due to other functions being consolidated into the Department of Transportation.

Base Adjustments:

Personal Services

Benefits have been adjusted in both years of the biennium to adjust for an increase in workers' compensation rates.

Operating Expenses

Contracted Services increased in both years of the biennium. This increase is largely due to the new method the Department of Administration is using to bill other agencies for local area networks and work-station support.

Communications decreased in both years of the biennium mainly due to a reduction in telephone equipment charges from the Department of Administration.

There is a very small decrease in travel in both years of the biennium.

Rental expenses increased both years of the biennium. The rental costs of the Oracle Data Base Management System is the main reason for the increase in this category.

The Repair and Maintenance category increases both years of the biennium mainly due to the maintenance contracts on the departmental computer and terminals.

The Other Expense category has increased both years of the biennium largely due to two factors. The annual dues for the Western Association of State Highway and Transportation Officials (WASHTO) and the American Association of State Highway and Transportation Officials (AASHTO) have increased. The second reason is an accounting change that deleted expenditure object 2135, and combined it with expenditure object 2809 (Education/Training Costs).

Equipment

The Equipment budget has increased in both years of the biennium. The department intends to purchase the hardware necessary to replace the outdated computer equipment in our district offices. The department needs to replace the Log Electronic Printer in the Photo Unit. This modification will also provide additional authority for upgrading traffic recording devices to transmit the data through telephone lines. During the 92-93 biennium, the department plans on installing 24 ATR telemetry sites. The upgrade will facilitate the gathering and editing of traffic information from remote

\$	30,128	\$	30,061
\$	11,275	\$	11,260
\$	135,290	\$	19,230
\$	(2,451)	\$	(4,464)
\$	(24)	\$	(60)
\$	95,251	\$	33,333
\$	33,480	\$	39,980
\$	35,200	\$	35,200
\$	167,172	\$	95,072

recording sites. The old traffic recorders are obsolete and the cost of repairing and maintaining the old units is not cost effective. The Print Unit needs to replace the 3M-MR417 vertical camera platenaker which is 15 years old.

Inflation

There is a minimal amount of inflation applied to the operating expenses in both years of the biennium.

\$	1,674	\$	2,472
\$	<u>612,609</u>	\$	<u>293,578</u>

CONSTRUCTION PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	872.99	872.99	872.99	.00	872.99	872.99	.00	872.99
Personal Services	23,991,204.80	26,306,928	26,683,784	272,795	26,956,579	26,684,162	203,315	26,887,477
Operating Expenses	142,127,843.77	121,800,571	123,786,382	45,391,444	169,177,826	123,806,435	13,389,816	137,196,251
Equipment	364,070.88	394,634	394,634	318,775	713,409	394,634	379,651	774,285
Capital Outlay	3,245,747.63	7,105,100	7,105,100	-4,267,600	2,837,500	7,105,100	-4,267,600	2,837,500
Debt Service	2,812.92	3,069	3,069	0	3,069	3,069	0	3,069
Total Agency Costs	\$169,731,680.00	\$155,610,302	\$157,972,969	\$41,715,414	\$199,688,383	\$157,993,400	\$9,705,182	\$167,698,582
State Special Revenue Fund	74,205,596.29	62,513,078	63,337,780	6,508,672	69,846,452	63,344,981	-11,807,675	51,537,306
Federal Special Revenue Fund	95,526,083.71	93,097,224	94,635,189	35,206,742	129,841,931	94,648,419	21,512,857	116,161,276
Total Funding Costs	\$169,731,680.00	\$155,610,302	\$157,972,969	\$41,715,414	\$199,688,383	\$157,993,400	\$9,705,182	\$167,698,582

Overview

The Construction Program is responsible for construction project planning and development from the time a project is included in the long-range work plan through the actual construction of a highway project. This includes such tasks as project design, public hearings, right-of-way acquisitions, issuing contract bids, awarding contracts, and administering construction contracts. This program consisted of the Construction Program and Preconstruction Program in previous budgets.

Goals

- To design, construct and reconstruct the highways of the State of Montana in a manner that will safely and efficiently meet the needs of the traveling public.

Authorization

23 USC 114(a)

Construction Work in General. The construction of any highways or portions

of highways located on a federal-aid system shall be undertaken by the respective State highway departments or under their direct supervision.

23 USC 106(a)

Except as provided in section 117 of this title, the State highway department shall submit to the Secretary for his approval, as soon as practicable after program approval, such surveys, plans, specifications, and estimates for each proposed project included in an approved program as the Secretary may require.

15-35-108 MCA

To establish and fund the Highway Reconstruction Trust Fund.

60-2-201 MCA

General powers of department. (1) The department may plan, lay out, alter, construct, reconstruct, improve, repair, and maintain highways on the federal-aid systems and state highways according to priorities established by and on projects selected and designated by the commission.

General power of department to acquire interests in property. Notwithstanding any other provision of law, the department of highways may acquire by purchase or other lawful manner lands or other real property, excluding oil, gas, and mineral rights, which it considers reasonably necessary for present or future highway purposes.

Base Program

The Construction Program has three main objectives:

- 1) To design the construction projects designated as part of the program by the Highway Commission.
- 2) To acquire the necessary right-of-way for those projects.
- 3) To award the construction contracts and assure compliance with specifications and recommend acceptance and payment for work performed.

The department uses the Project Management System (PMS) to plan and monitor project development and manpower needs for the design and right-of-way functions. The 1991 biennium budget request was based upon the level of program approved by the Highway Commission during the development period of that biennium's budget. The bases of the 1993 biennium budget will be the level of program approved by the Highway Commission during the 1993 biennium budget development.

The department uses the Construction Management System (CMS) to plan and monitor the field construction manpower needs. This system is based on the level of program approved by the Highway Commission.

The level of program approved by the Highway Commission is based upon fully obligating available federal funds, the associated state matching funds and all available Reconstruction Trust Funds.

Base Funding

DEPARTMENT OF TRANSPORTATION

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Administrative personnel and functions in the Construction Program are funded by highway state special revenue funds.

The majority of preconstruction or construction expenditures directly related to approved federal-aid project are funded by federal special revenue funds received on a partial reimbursement basis from the Highway Surface Transportation Act. The percentage that expenditures are reimbursed depends upon the federal-aid system or project type, but usually averages around 80%. The state portion of these costs are funded by highway state special revenue funds. In the base year (FY 91 appropriations), there will be a portion of the state matching funds, that will be funded from highway bond proceeds. These bond proceeds will be fully expended in FY 91 and the highway state special revenue account will again provide the state matching funds during FY 92 and 93.

The department also receives spending authority up to \$40 million per year to construct 100 percent state-funded projects from the Highway Reconstruction Trust Fund (RTF) through FY93. This authority is funded by a small portion of Coal Tax revenues and the remainder by cash transfers from the highway state special revenue fund. The current FY 91 estimate for the department's portion of Coal Tax revenue is \$5.625 million. Although the department is authorized to expend up to \$40 million per year in the RTF account, revenues have not been sufficient to fully fund this amount during the authorized period. The recommended budget for the 1993 biennium is based on expenditures of \$20 million per year in the RTF account. The legislature will have to reauthorize the program and provide the required funds for the program to continue after FY 93.

CONSTRUCTION PROGRAM

Performance Indicators

Preconstruction

Number of projects and miles designed for contract during the year.	Projects Miles	129 721	110 470	115 525	115 525
Number of projects, dollar amounts and miles of consultant design.	Projects Dollars Miles	31 2,395,500 223	18 2,422,500 217	25 5,460,000 250	25 5,460,000 250
Number of preconstruction projects in the Project Management System.		365	350	375	375

Bridges

Number of bridges rehabilitated or replaced.		32	36	24	30
Number of bridges inspected.		2,317	2,755	2,536	2,536

Right-of-Ways

Number of parcels closed.		550	600	650	650
Number and dollar amount of utility relocations.	Number Dollars	85 7,600,000	80 7,500,000	80 7,500,000	80 7,500,000
Number and dollar amount of railroad relocations.	Number Dollars	20 570,000	20 800,000	20 800,000	20 800,000

Construction

Lane miles and dollars under contract.	Miles Dollars	1,800 220,067,400	2,030 248,380,000	1,830 223,182,000	1,630 199,901,000
Dollar amount of contractor payments.		118,000,000	137,000,000	140,000,000	126,000,000
Number of new procedures developed to reduce contract administration manpower requirements.		2	2	2	2

DEPARTMENT OF TRANSPORTATION

Performance Indicators (continued):

Materials

Number of new projects developed to reduce costs and improve the quality of construction.

The number of geotechnical inspections completed.

FY90 ACTUAL	FY91 ENACTED	FY92 PROPOSED	FY93 PROPOSED
8	8	8	8
37	35	40	40

Increase or Decrease from Base

Item	Explanation	Fiscal 1992	Fiscal 1993
Modification Requests: City Park Rest Areas	This modification will provide authority to contract with local governments to incorporate rest area facilities with local community park facilities located along primary highways. The department is proposing to begin a program which improves one city park per fiscal year. The department will provide the funding to make the necessary improvements to the city parks, but the Local Governments would be responsible for managing and maintaining them.	\$ 200,000	\$ 200,000
Engineering Consultants	This modification increases the authority for engineering consultants for both years of the biennium. The Project Management System estimates the department's engineering manpower requirements based on the long range construction program. The proposed long range construction program changed significantly because the federal apportionment increased by 20% or \$20 million. The engineering consultant needs are the excess manpower requirements over the department's current authorized FTE.	\$ 6,932,298	\$ 6,946,998
Road Construction	The budget for the Construction Program is based upon a tentative construction work plan. The tentative work plan is based on current and estimated future levels of construction; therefore, the type, number, estimated pay-out schedule and funding (federal or state) of the projects varies from fiscal year to fiscal year. As a direct result, the budget associated with the Construction Program is basically zero-based. This modification requests the difference between the Fiscal Year 1991 appropriated base and the Department's anticipated construction program needs for the 1993 biennium.	\$29,577,154	\$ 808,214

Base Adjustments:

Personal Services

\$ 189,593 \$ 171,763

Personal Services in the Construction Program have been adjusted in both years of the biennium for an increase in workers' compensation rates. The overtime and differential was also increased by the Construction Management System which determines the needs based upon the tentative construction work plan.

Operating Expense

\$ 4,495,963 \$ 1,199,021

Operating expenses increase in both years of the biennium. In addition to the Road Construction Modification, contractor payments increase by \$4,433,115 in Fiscal Year 1992 and \$1,151,039 in Fiscal Year 1993 based upon the tentative construction work plan. An increase in Right-of-Way fee appraiser of \$50,434 in Fiscal Year 1992 and \$50,000 in Fiscal Year 1993 accounts for most of the increase. This increase is due to an expected increase in the tentative construction work plan in future years that effects the current appraisal functions.

Equipment

\$ 318,775 \$ 379,651

The Equipment budget increases in both years of the biennium. The budget for equipment in the Construction Program has been critically limited in the past several bienniums. The department is now faced with replacing outdated or non-functioning equipment, particularly in the engineering and laboratory categories.

Inflation

\$ 1,631 \$ (465)

There is a small amount of inflation applied to operating expenses in the first year of the biennium and a small amount of deflation in the second year of the biennium.

\$41,715,414 \$ 9,705,182

MAINTENANCE PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	654.88	653.88	654.88	.00	654.88	654.88	.00	654.88
Personal Services	19,968,559.96	20,787,698	21,499,715	43,694	21,543,409	21,530,809	43,586	21,574,395
Operating Expenses	23,893,254.54	25,257,928	25,211,730	1,722,224	26,933,954	25,159,059	2,020,172	27,179,231
Equipment	286,350.56	187,214	187,214	0	187,214	187,214	0	187,214
Capital Outlay	131,784.36	71,490	71,490	146,910	218,400	71,490	46,910	118,400
Total Agency Costs	\$44,279,949.42	\$46,304,330	\$46,970,149	\$1,912,828	\$48,882,977	\$46,948,572	\$2,110,668	\$49,059,240
State Special Revenue Fund	44,279,949.42	46,304,330	46,970,149	1,912,828	48,882,977	46,948,572	2,110,668	49,059,240
Total Funding Costs	\$44,279,949.42	\$46,304,330	\$46,970,149	\$1,912,828	\$48,882,977	\$46,948,572	\$2,110,668	\$49,059,240

Overview

The Maintenance Program is responsible for preserving and repairing all highways and related facilities within the right-of-way of interstate, urban, primary, and state-maintained secondary highway systems in Montana. Major maintenance activities include the patching, repair, snow removal, sanding, and periodic sealing of highway surfaces.

Goals

- To efficiently preserve the roadway, structures, right-of-way, traffic aids, buildings and other facilities.
- To provide necessary services to keep traffic moving over the highways in a safe and efficient manner year around.

Authorization

23 USC 116 It shall be the duty of the State highway department to maintain, or cause to be maintained, any project constructed under the provisions of this chapter or constructed under the provisions of prior Acts. The

State's obligation to the United States to maintain any such project shall cease when it no longer constitutes a part of the federal-aid system.

23 CFR 635.503

The policy of the FHWA is to insure that each State highway agency develops and implements an Interstate Maintenance program conforming to the guidelines in this subpart. The maintenance program shall be consistent with practices deemed necessary to adequately provide for motorist safety, preservation of the highways, rideability, and aesthetics.

60-2-203 MCA

Maintenance responsibility. The department shall have the responsibility for maintenance of all public highways or portions thereof that it maintained on July 1, 1976.

Base Program

The Maintenance Program manages its available resources to perform the goals stated above. The Maintenance Management System (MMS) was developed and implemented to help the department perform its maintenance duties in the most efficient manner. The maintenance goals were broken down

into numerous maintenance activities within MMS, and the system was designed to accomplish the following for each activity:

- o control maintenance work and its costs,
- o evaluate the effectiveness and efficiency of the work, and
- o monitor the budget and schedule to actual accomplishments and costs.

Insuring that the highways of the state are maintained sufficiently to keep traffic moving during the winter months has been one of the major objectives of the department. Since the level of service required to accomplish this objective is directly dependent upon the weather, the costs of providing the same level of service will also vary with the weather. The costs of winter maintenance have averaged 18% of the total maintenance expenditures for the past four years. The department's objective is to continue these winter maintenance activities at approximately 18% of the total maintenance budget.

Another major objective of the Maintenance Program is to maintain the highways at the same service levels during the 1993 biennium as the department did during the 1991 biennium.

House Bill No. 774 of the 51st Legislature required the department to assist in maintenance of the federal-aid secondary highway between Fort Benton and Chester. The department was appropriated \$150,000 per year from the highway special revenue account during the 1991 biennium to accomplish this maintenance. Assuming that such maintenance assistance between Fort Benton and Chester will continue to be the responsibility of the department, the \$150,000 per year has been included in the base for the 1993 biennium.

Base Funding

The Maintenance Program is funded entirely by highway special earmarked revenue funds.

Performance Indicators

		FY90 ACTUAL	FY91 ENACTED	FY92 PROPOSED	FY93 PROPOSED
Winter activities cost as a percentage of total maintenance cost.		17.00%	18.00%	18.00%	18.00%
Road oil used	gal	4,918,940	4,911,055	4,592,105	4,592,105
Gravel materials used.	c.y.	562,552	556,494	491,633	491,633
Paint used.	gal	303,045	274,390	249,000	249,000
Urban interstate maintenance cost per lane mile.		\$1,933	\$1,933	\$1,933	\$1,933
Rural interstate maintenance cost per lane mile.		\$1,505	\$1,505	\$1,505	\$1,505
Urban non-interstate maintenance cost per lane mile.		\$4,805	\$4,805	\$4,805	\$4,805
Rural non-interstate maintenance cost per lane mile.		\$2,066	\$2,066	\$2,066	\$2,066
Roadway activities as a percentage of total maintenance cost.		31.30%	31.30%	31.30%	31.30%
Number of lane miles maintained by area per FTE assigned.		33.1	33.1	33.1	33.1
Signing, striping & safety activities as a percentage of total maintenance cost.		11.90%	12.10%	11.20%	11.20%

Increase or Decrease from Base

<u>Item</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Modification Requests:			
Monitoring Fuel Tanks	The department's budget was adjusted both years of the biennium to provide funding to upgrade existing underground storage tanks with cathodic protection and leak detection in accordance with new federal regulations mandated by the Environmental Protection Agency (EPA). In each year of the biennium the department is planning to: Upgrade 84 tanks Test 29 tanks for leaks Remove and replace 29 leaking tanks Cleanup 29 localized sites Install 113 monitoring devices	\$1,109,800	\$1,109,800
Base Adjustments:			
Personal Services	Benefits were adjusted in both years of the biennium to adjust for an increase in workers' compensation rates.	\$43,694	\$43,586
Operating Expenses	Consultant and professional services were decreased in both years of the biennium due primarily to the underground storage tanks being handled as a modified request. Weed spraying contracts with the counties were increased in both years of the biennium due to increased cost for chemicals, insurance, etc. Rest area maintenance was increased in both years of the biennium due to approximately a 50% increase in costs as a result of using Request for Proposals (RFP). In addition, Sweetgrass and Quartz Flat will be open all year instead of a few months of the year.	\$(241,337) \$28,838 \$130,408	\$(241,337) \$28,838 \$134,308

	Equipment rental was adjusted in both years of the biennium. Users are charged a usage and assigned rate for each class of equipment. These rates are to recoup the Equipment Bureau's cost of providing the service. Equipment rental was adjusted to cover the Equipment Bureau's cost of providing the service.	\$(282,921)	\$58,789
	Repairs and maintenance on buildings and grounds were decreased in both years of the biennium as a result of an accounting change. Many tank replacements and building improvements (non A & E expenditures) must now be capitalized.	\$(38,400)	\$(38,400)
	Construction, remodeling, and renovation of buildings were adjusted in both years of the biennium as a result of an accounting change. Many tank replacements and building improvements (non A & E expenditures) must now be capitalized instead of being expensed.	\$38,400	\$38,400
	Land expenditures increase in FY92 (one-time request) to acquire land in Great Falls to build an equipment storage facility.	\$100,000	
Capital Outlay	Land expenditures increase in both years of the biennium to acquire land for stockpiles and maintenance sites.	\$8,510	\$8,510
	Inflation was applied to several objects of expenditure in operating expenses to account for increased oil prices.	\$1,015,836	\$968,174
		<u>\$1,912,828</u>	<u>\$2,110,668</u>

MOTOR POOL

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	5.00	5.00	5.00	.00	5.00	5.00	.00	5.00
Personal Services	128,899.92	133,433	139,342	306	139,648	139,381	303	139,684
Operating Expenses	221,924.33	243,733	254,231	16,113	270,344	262,144	7,054	269,198
Equipment	666,403.00	650,000	650,000	-287,750	362,250	650,000	-432,000	218,000
Total Agency Costs	\$1,017,227.25	\$1,027,166	\$1,043,573	\$-271,331	\$772,242	\$1,051,525	\$-424,643	\$626,882
Proprietary Fund	1,017,227.25	1,027,166	1,043,573	-271,331	772,242	1,051,525	-424,643	626,882
Total Funding Costs	\$1,017,227.25	\$1,027,166	\$1,043,573	\$-271,331	\$772,242	\$1,051,525	\$-424,643	\$626,882

Overview

The State Motor Pool Program operates and maintains a fleet of vehicles available to all state offices and employees in the Helena area to conduct official state business.

Goals

- To provide all state offices and employees in the Helena area, with the most cost effective, timely and safe fleet of passenger and small cargo vehicles that will facilitate the conduct of official business.

Authorization

2-17-411 MCA

Helena-based motor pool -- Department of Highways, Motor Pool Division. (1) The Department of Highways, Motor Pool Division, is the custodian of all motor vehicles operated out of the Helena area used primarily to carry passengers or having cargo rating of three-quarters of a ton or less and which do not carry specialized equipment that would render them unfit for interagency use, owned or leased by the state or its agencies.

Base Program

The Motor Pool provides, maintains, and administers a fleet of daily dispatched vehicles for the use of Helena-based state employees. The unit's goal is to provide economical and safe transportation that meets the needs of traveling employees.

The fleet is currently authorized at 180 units. The fleet size is determined statistically to satisfy approximately 84 percent of demand during peak months. The fleet consists of five different types of vehicles that travel approximately 3,500,000 miles annually. Fifteen agencies comprise the majority of motor pool use.

Motor pool income is derived from rental rates charged for the use of vehicles. Depreciation, replacement, insurance, fuel, oil, tires and repair costs are recovered through the rental rates.

Base Funding

The Motor Pool Program is funded from the motor pool proprietary account. Revenues in this account come from vehicle rental fees to user agencies.

Performance Indicators

	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
Miles of travel	3,300,000	3,800,000	3,369,461	3,369,461
Gasoline (gal)	142,857	164,502	132,136	132,136
Fleet Size	180	180	180	180

Increase or Decrease from Base

<u>Item</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Base Adjustments:			
Personal Services	Benefits were adjusted in both years of the biennium to adjust for an increase in workers' compensation rates.	\$306	\$303
Equipment	The department is replacing fewer Motor Pool Units in the 92-93 biennium.	\$(287,750)	\$(432,000)
Inflation	Inflation was applied to several objects of expenditure in operating expenses to account for increased oil prices.	\$16,113	\$7,054
		<u>\$(271,331)</u>	<u>\$(424,643)</u>

EQUIPMENT PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	121.00	122.00	121.00	.00	121.00	121.00	.00	121.00
Personal Services	3,549,327.29	3,747,087	3,878,399	8,262	3,886,661	3,884,900	8,231	3,893,131
Operating Expenses	4,652,968.29	4,463,817	4,561,081	230,835	4,791,916	4,670,641	106,227	4,776,868
Equipment	4,902,921.07	4,905,659	4,905,659	0	4,905,659	4,905,659	0	4,905,659
Total Agency Costs	\$13,105,216.65	\$13,116,563	\$13,345,139	\$239,097	\$13,584,236	\$13,461,200	\$114,458	\$13,575,658
Proprietary Fund	13,105,216.65	13,116,563	13,345,139	239,097	13,584,236	13,461,200	114,458	13,575,658
Total Funding Costs	\$13,105,216.65	\$13,116,563	\$13,345,139	\$239,097	\$13,584,236	\$13,461,200	\$114,458	\$13,575,658

Overview

The Equipment Program is responsible for the purchase, distribution, and maintenance of all highway construction equipment and vehicles. The equipment is rented to the other programs within the Department of Highways.

Goals

- To acquire and maintain, in a cost effective manner, a sufficient fleet of equipment and vehicles necessary to meet the department's construction, maintenance and Gross Vehicle Weight enforcement goals.

Authorization

Since the Equipment Program is an internal service fund, it has no direct authorization. The authorization for the Engineering and Maintenance Programs supports the existence of the Equipment Program.

Base Program

The Equipment Bureau provides, maintains, and administers all vehicles and equipment required by the Department of Highways. The bureau's goal is to provide economical equipment that is multi-functional, safe, and accomplishes the required tasks.

Bureau personnel are assigned to general administrative, financial, purchasing, technical services, a central repair and assembly shop and 11 area shops with 4 satellite facilities.

There are approximately 4,000 pieces of equipment in 38 different categories used for road maintenance, snow removal, GVV enforcement, construction program, data collection and personnel transportation. The fleet annually travels 17,000,000 miles.

Base Funding

The Equipment Program is funded entirely from the highway equipment proprietary account. The users of equipment (Construction, Gross Vehicle Weight and Maintenance Programs) are charged rental fees that support both the operating and replacement costs for the Equipment Program.

Performance Indicators

	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Recomm</u>	<u>FY93 Recomm</u>
Total fleet miles of travel	16,045,985	15,290,152	17,101,142	17,101,142
Mileage of gasoline units	11,093,877	11,093,877	10,170,003	10,170,003
Mileage of diesel units	4,952,108	4,196,275	6,931,139	6,931,139
Hourly equipment units	164,601	142,868	171,843	171,843
Gallons of gasoline	1,422,292	1,422,292	1,155,682	1,155,682
Gallons of diesel	1,262,887	1,077,931	1,504,341	1,504,341

Increase or Decrease from Base

<u>Item</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Base Adjustments:			
Personal Services	Benefits were adjusted in both years of the biennium to adjust for an increase in workers' compensation rates.	\$8,262	\$8,231
Inflation	Inflation was applied to several objects of expenditure in operating expenses to account for increased oil prices.	\$230,835	\$106,227
		\$239,097	\$114,458

MOTOR FUELS TAX PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	24.00	-1.00	23.00	24.00	-1.00	23.00
Personal Services	0.00	0	549,768	-16,587	533,181	549,339	-16,556	532,783
Operating Expenses	0.00	0	140,023	0	140,023	137,175	0	137,175
Total Agency Costs	\$0.00	\$0	\$689,791	\$-16,587	\$673,204	\$686,514	\$-16,556	\$669,958
State Special Revenue Fund	0.00	0	689,791	-16,587	673,204	686,514	-16,556	669,958
Total Funding Costs	\$0.00	\$0	\$689,791	\$-16,587	\$673,204	\$686,514	\$-16,556	\$669,958

Overview

The division administers the collection of fuel taxes which are a primary source of revenue for Highways and Aeronautics activities throughout the State. Taxes administered by the division generate over \$100 million annually. These taxes are earmarked for the Department of Highways, state parks, the Department of Commerce (Aeronautics Division), cities and counties and the petroleum storage cleanup fund.

The Motor Fuels Tax Division enforces compliance with the motor fuel tax law and administers license taxes on gasoline and diesel fuel. This includes the issuance of licenses and permits, collection of taxes, enforcement of bonding requirements and administration of the refund provisions of the tax laws.

Goals

- o To account for tax returns and payments; collect delinquent taxes; promptly issue refunds; and provide assistance to taxpayers on filing returns and compliance;
- o To continue an active program of performing audits to ensure the accuracy of the taxpayer returns;
- o To insure all taxpayers pay their fair share of taxes; and
- o To resolve disputed tax assessments through discussion and informal conferences prior to formal hearings or having the dispute referred to State Tax Appeals Board or District Court.

DEPARTMENT OF TRANSPORTATION

Authorization

Title 15, Chapter 70, MCA

Provides for Gasoline License Tax, Special Fuels Use Tax and Alcohol Tax Incentive and Administration.

Title 15, Chapter 71, MCA

Provides for License Tax on Vehicles Propelled by Liquefied Petroleum Gas.

Base Program

The division administers and enforces the motor fuel tax law through three programs: Administration and Licensing; Processing and Audit; and Gasoline Tax. Other support is also provided through automated systems and support personnel outside of the division.

Administration and Licensing Section

Under base funding the Administrator is responsible for administrative functions, budget preparation, legislative proposals and other duties assigned by the director.

The **Licensing Section** insures the accuracy and accountability of cash receipts; bonds; property held in trust; and management reports generated by the activity.

This section is also responsible for issuing and renewing all Special Fuel Licenses. Special Fuel Dealer licenses, which are effective until cancellation, are issued to diesel fuel dealers. Special Fuel User permits are issued annually to anyone who consumes diesel fuel for commercial purposes. Currently, there are

MOTOR FUELS PROGRAM

13,288 Special Fuel Users and 750 Special Fuel Dealers licensed and required to file tax returns. This function also insures Special Fuel Dealers and Users are properly bonded to assure compliance with statute requirements.

Processing and Audit Section

The Processing and Audit Section is responsible for verifying and correcting fuel consumption and tax due on all Special Fuel Tax returns and assuring compliance with tax reporting procedures. It also refunds compliance bonds once the unlicensed user complies with the statute. The audit section performs internal audits for insuring that proper tax reporting procedures are followed and that tax liabilities are correctly applied. The audit function also serves as a mechanism for instructing and advising taxpayers on proper procedures for complying with Motor Fuels Tax Laws.

Gasoline Tax Section

The Gasoline Tax Section administers the Gasoline Distributors Tax Act. Gasoline distributors, who qualify must file an application and appropriate security with the department to become licensed. Every distributor pays a license tax for the

privilege of engaging in business in the state. Any person other than a licensed distributor must obtain a license from the department prior to selling gasoline on which a refund may be claimed. Taxes are refunded on any gasoline on which the Montana gasoline license tax has been paid which is subsequently used for denaturing alcohol, agricultural purposes or commercial off-highway consumption. There are 150 gasoline distributors licensed in Montana and 500 refundable gasoline licensees. Approximately 10,000 gasoline refunds are processed annually. This section also collects and allocates to the Department of Health and Department of Commerce respectively, the Petroleum Storage Cleanup Fee and the Aviation/Jet Fuel Tax.

This section performs internal and external audits on the exchange of product and correct application of tax liability; issues licenses for gasoline and alcohol distributors; and monitors bond amounts, filing requirements and tax due in accordance with the Gasoline Distributor Tax Act.

Base Funding

Motor Fuels Tax program is funded entirely from highway special revenue funds.

	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>	<u>FY92 Recomm</u>	<u>FY93 Recomm</u>
Performance Indicators						
Motor Fuels Tax:						
Administration and Licensing						
Maintain Licensee Accounts	14,038	14,038	14,038	14,038	14,038	14,038
Maintain Compliance Bonds	8,460	8,460	8,460	8,460	8,460	8,460
Issue Temporary Permits	1,600	1,600	1,600	1,600	1,600	1,600
Processing and Audit						
Tax Returns Processed	57,100	57,100	57,100	57,100	57,100	57,100
Office Audits Conducted	100	100	100	100	100	100
Field Audits Conducted	300	300	300	300	300	300
Refunds Issued	1,200	1,200	1,200	1,200	1,200	1,200
Gasoline Section						
Maintain Licensee Accounts	650	650	650	650	650	650
Office Audits Conducted	1,800	1,800	1,800	1,800	1,800	1,800
Field Audits Conducted	5	5	5	5	5	5
Refunds Issued	10,000	10,000	10,000	10,000	10,000	10,000

INTERFUND TRANSFERS PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Transfers	43,451,267.30	30,881,195	36,303,470	-3,244,013	36,303,470	-10,237,855
Total Agency Costs	<u>\$43,451,267.30</u>	<u>\$30,881,195</u>	<u>\$36,303,470</u>	<u>\$-3,244,013</u>	<u>\$36,303,470</u>	<u>\$-10,237,855</u>
State Special Revenue Fund	43,451,267.30	30,881,195	36,303,470	-3,244,013	36,303,470	-10,237,855
Total Funding Costs	<u>\$43,451,267.30</u>	<u>\$30,881,195</u>	<u>\$36,303,470</u>	<u>\$-3,244,013</u>	<u>\$36,303,470</u>	<u>\$-10,237,855</u>

Overview

The Interfund Transfers Program provides appropriation authority for transfer of funds between accounting entities and constitutes the sinking fund for the retirement of bonds.

Goals

- To transfer funds to appropriate sinking funds to comply with the bond resolution for the \$150,000,000 1987 Highway Revenue Bonds issue.
- To transfer funds to the Highway Reconstruction Trust Fund (RTF) Account to pay contractor claims on RTF projects.

Authorization

- 17-5-911, MCA
To establish repayment of 1987 Highway Revenue Bond Issue.
- 17-5-501, MCA
To establish repayment of 1976 Highway General Obligation Building Bonds.
- 17-2-102, MCA
To establish long-term debt accounts in the State of Montana treasury fund structure.

To establish and fund the Highway Reconstruction Trust Account.

15-35-108, MCA

Base Program

The objective of the Interfund Transfers Program is to make debt service payments on bonds and fund the remaining cost of RTF projects after the expenditures of coal severance taxes deposited in that account. The department used the remaining 1987 bond proceeds funds for this purpose in FY90. Beginning again in FY91, the department will use the Highway Earmarked Revenue Account funds for this transfer.

Base Funding

The Interfund Transfers Program is funded from the various state special revenue accounts.

Performance Indicators

There are no performance indicators for this program.

Increase or Decrease from Base

Item
Base Adjustments:
Transfers

Explanation

The transfer authority in the Interfund Transfer Program allows the department to transfer cash from the Highway Special Earmarked Revenue accounting entity to the bond debt service accounting entities to fulfill the bond debt service requirements. The department's debt service requirements increase by \$7,500 in Fiscal Year 1992 and \$7,828,500 in Fiscal Year 1993. The transfer authority also provides the department with the authority to make cash transfers from the Highway Special Earmarked Revenue accounting entity to the Reconstruction Trust Fund accounting entity in the amount that the Coal Tax revenue the department receives doesn't meet the estimated Reconstruction Trust Fund expenditures. The Reconstruction Trust Fund expenditures decrease to \$27,504,184 in Fiscal Year 1992 and \$12,389,282 in Fiscal Year 1993. This all results in an anticipated decrease in transfer authority in both years of the biennium.

Fiscal 1992

\$ (3,244,013)

Fiscal 1993

\$(10,237,855)

STORES INVENTORY PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Operating Expenses	13,209,039.41	12,744,300	12,862,201	2,251,844	15,114,045	12,978,777	2,107,253	15,086,030
Total Agency Costs	\$13,209,039.41	\$12,744,300	\$12,862,201	\$2,251,844	\$15,114,045	\$12,978,777	\$2,107,253	\$15,086,030
State Special Revenue Fund	13,209,039.41	12,744,300	12,862,201	2,251,844	15,114,045	12,978,777	2,107,253	15,086,030
Total Funding Costs	\$13,209,039.41	\$12,744,300	\$12,862,201	\$2,251,844	\$15,114,045	\$12,978,777	\$2,107,253	\$15,086,030

Overview

The Stores Inventory Program purchases and distributes commodities including office and construction supplies, as well as bulk items such as sand, road oil, and gasoline used by other highway department programs. Stores operations are maintained in Helena and in each of the field districts. The Helena Stores facility services the department headquarters and shop facility, and also performs central duties for all quantity stores commodities.

Goals

Purchase, receive, monitor, and distribute commodities in an efficient and cost effective manner for the department.

Authorization

The Stores Inventory Program has no direct authorization. Since its basic services provide the department with a centralized purchasing function and maintain a safety inventory of necessary commodities used by other programs (Construction and Maintenance Programs), the authorization of these programs support the Stores Inventory Program.

Base Program

The Stores Inventory Program purchases and distributes commodities to users as requested. Purchases are based on historical usage data and user input. Since the Stores Inventory Program provides commodities used by the other programs in the department, the budget is directly related to the activity levels of the other programs. Weather and seasonal considerations also directly affect activity levels.

The objective of the Stores Inventory Program is to maintain a level of service to its users without tying up funds in excessive inventories. This objective will allow for the maximum amount of current fund expenditures on the construction and maintenance of our highways, as well as limiting the losses due to obsolescence. This objective will be maintained under base funding levels, or increases or decreases, as long as the price of commodities is accurately considered in other programs and the budget for the Stores Inventory Program is based upon the price and quantities reflected in those programs.

Base Funding

The Stores Inventory Program is funded from highway special earmarked revenue funds and receives reimbursement through the department's accounting system from other department programs which use these commodities.

Performance Indicators

Inventory turnover

Traffic Line Paint
Road Oil
Bulk Road Salt
Carbide Cutting
Edges
Crack Sealer

Percentage of the average value of items
surplused out of stores inventory, due to
obsolescence, of the average total stores
value.

<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
1	1	1	1
1	1	1	1
1	1	1	1
1	1	1	1
1	1	1	1
1	1	1	1
1%	1%	1%	1%

Increase or Decrease from Base

Item

Base Adjustments:

Operating Expenses

Explanation

Fiscal 1992 Fiscal 1993

Gasoline was adjusted in both years of the biennium. The Highway Patrol currently purchases gasoline from the Department of Highways (DOH). The DOH request was adjusted to include the Highway Patrol's use of DOH gasoline.

\$306,509

\$306,509

Equipment rental was adjusted in both years of the biennium. Users are charged a usage and assigned rate for each class of equipment. These rates are to recoup the Equipment Bureau's cost of providing the service. Equipment rental was adjusted to cover the Equipment Bureau's cost of providing the service.

\$(23,646)

\$4,913

Sand was adjusted in both years of the biennium. The Maintenance Program uses an average of 251,510 cubic yards of sand per year. As of April 10, 1990 there was approximately a 3-year inventory of sand. It has been the department's policy to maintain at least a 3-year inventory of sand; therefore, sand was adjusted to meet maintenance needs and maintain the current inventory.

\$801,042

\$801,042

Inflation

Inflation was applied to several objects of expenditure in operating expenses to account for increased oil prices.

\$1,167,939

\$994,789

\$2,251,844

\$2,107,253

GROSS VEHICLE WEIGHT PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	111.03	111.03	111.03	.00	111.03	111.03	.00	111.03
Personal Services	2,736,470.42	3,026,007	3,069,207	6,604	3,075,811	3,071,792	6,607	3,078,399
Operating Expenses	538,030.43	637,126	635,162	68,570	703,732	633,763	68,587	702,350
Equipment	16,594.50	19,500	19,500	209,320	228,820	19,500	22,200	41,700
Capital Outlay	79,356.50	120,000	120,000	0	120,000	120,000	0	120,000
Total Agency Costs	\$3,370,451.85	\$3,802,633	\$3,843,869	\$284,494	\$4,128,363	\$3,845,055	\$97,394	\$3,942,449
State Special Revenue Fund	3,370,451.85	3,802,633	3,843,869	284,494	4,128,363	3,845,055	97,394	3,942,449
Total Funding Costs	\$3,370,451.85	\$3,802,633	\$3,843,869	\$284,494	\$4,128,363	\$3,845,055	\$97,394	\$3,942,449

Overview

The **Gross Vehicle Weight (GVW) Program** enforces the statutes and regulations relating to vehicle weight, size, licensing, fuel, safety, issues permits and operating authority for commercial and farm vehicles.

Goals

- o To provide for the effective and efficient enforcement of vehicle weight and size statutes and rules and the collection of fees.
- o To register, license and collect fees from Montana based interstate carriers and distribute to jurisdictions in which they operate.
- o To adequately protect the investment in Montana highways.

Authorization

Title 61, MCA Motor vehicles must be registered and operate according to size and weight regulations. These statutes authorize the Department of Highways to enforce all size, weight, licensing, safety and authority laws.

Base Program

The GVW Division licenses all Montana-based interstate carriers, collects and disburses receipts, generates statistics and office payroll. They also license intrastate fleets of more than 100 vehicles.

The division ensures commercial and farm vehicles are licensed and operating within statutory size and weight laws. While the division personnel have arrest powers and issue citations, their mission is to protect the state's highways. GVW officers also ensure vehicles comply with special fuel laws, operating authority granted by the Public Service Commission (PSC) and driver and vehicle safety laws.

The division issues over \$1 million annually in size, weight, and license permits via telephone, fax machine, mail and in person.

The division plans to install a computer system in the FY 92-93 biennium in weigh stations to facilitate the permitting and registration functions and to enforce compliance activities. This would also enable the department to issue PSC stamps and generate fuel permits at weigh stations.

The division's objective is to conduct mobile enforcement activity at no less than 20% of total direct enforcement activity, to collect various license and permit fees and citations of over \$24 million annually and to provide a service to the carrier industry to ensure compliance with Montana law.

Base Funding

The GVW program is funded entirely from the Highway Earmarked Revenue Account.

Performance Indicators

	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
Mobile enforcement activity as a percentage of total direct enforcement	20%	20%	20%	20%
Number of permits issued for over-dimensional vehicles	138,635	138,635	138,635	138,635
Number of citations issued for size and weight violations	3,465	3,465	3,465	3,465
Number of citations issued for all violations	4,742	4,742	4,742	4,742
Revenue generated from licenses, fees and citations (in millions)	\$24,030	\$24,030	\$24,030	\$24,030

Increases/Decreases from Base:

<u>Item</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Modification Requests: Automated Weigh Stations	This modification will provide authority for computers, facsimile machines and communications expense for automating the weigh stations. By computerizing the permit process, it will facilitate interstate trucking in Montana by reducing the delays that exist in the system today (i.e. eliminate the need for motor carrier's to possess a "hard copy" of the permit before entering Montana).	\$ 243,820	\$ 68,700
GVW Officer Training	This modification will provide the necessary authority to train existing Gross Vehicle Weight (GVW) officers in the proper use of the proposed automated weigh station system. In addition, this modification will allow the Department to provide law enforcement training which fits the needs of its GVW officers. This law enforcement training program was not available from the Law Enforcement Academy during the last biennium.	\$ 30,165	\$ 25,165
Base Adjustments: Personal Services	Benefits have been adjusted in both years of the biennium to adjust for an increase in workers' compensation rates.	\$ 6,604	\$ 6,607
Operating Expenses	Contracted Services have decreased both years of the biennium due to an	\$ (7,206)	\$ (7,206)

accounting change. Expenditure object 2135 was deleted and combined with expenditure object 2809 (Education/Training Costs). There is a slight increase in legal fees for incarceration fees charged by the counties for GWV violators.

Equipment	There is a very small decrease in the Supplies and Materials category each year of the biennium.	\$	(33)	\$	(32)
	There is a very small increase in postage in the Communications category each year of the biennium.	\$	11	\$	11
Inflation	The Travel category has a small decrease in the second year of the biennium.	\$	0	\$	(569)
	Rental expenses decrease in Fiscal Year 1992 and there is a slight increase in Fiscal Year 1993. The equipment rental rates for use of equipment supplied by the Equipment Bureau are basis of this increase/decrease.	\$	(4,636)	\$	963
	Repair and Maintenance expenses have decreased slightly in both years of the biennium.	\$	(26)	\$	(26)
	There is an increase in the Equipment budget in both years of the biennium due to the replacement of portable scales.	\$	15,500	\$	3,500
	There is a minimal amount of inflation applied to the operating expenses in both years of the biennium.	\$	295	\$	281
		\$	<u>284,494</u>	\$	<u>97,394</u>

AERONAUTICS DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	11.99	-1.00	10.99	11.99	-1.00	10.99
Personal Services	0.00	0	378,294	-20,383	357,911	379,307	-19,766	359,541
Operating Expenses	0.00	0	348,288	21,891	370,179	347,022	7,554	354,576
Equipment	0.00	0	15,000	7,000	22,000	15,000	3,000	18,000
Local Assistance	0.00	0	243,000	0	243,000	243,000	0	243,000
Grants	0.00	0	15,000	-5,000	10,000	15,000	-5,000	10,000
Transfers	0.00	0	10,000	0	10,000	10,000	0	10,000
Total Agency Costs	\$0.00	\$0	\$1,009,582	\$3,508	\$1,013,090	\$1,009,329	\$-14,212	\$995,117
State Special Revenue Fund	0.00	0	881,185	-25,224	855,961	881,089	-25,777	855,312
Federal Special Revenue Fund	0.00	0	75,000	0	75,000	75,000	0	75,000
Proprietary Fund	0.00	0	53,397	28,732	82,129	53,240	11,565	64,805
Total Funding Costs	\$0.00	\$0	\$1,009,582	\$3,508	\$1,013,090	\$1,009,329	\$-14,212	\$995,117

Overview

The Aeronautics Division is responsible for providing for the protection and promotion of safety in aeronautics, cooperating in effecting a uniformity of the laws relating to the development and regulation of aeronautics in the several states and revising statutes relative to the development and regulation of aeronautics. The Division establishes uniform regulations relating to aeronautics and cooperates with the federal authorities in the development of a national system of civil aviation.

The Division is responsible for developing, operating, and maintaining a statewide system of electronic navigational aids, air-to-ground communications stations, and visual navigational aids. The program operates and maintains 13 state-owned airports. Also, the Division develops and improves a statewide system of airports; provides Montana communities with technical assistance in all facets of aviation planning and development; keeps Montana's State Aviation System Plan current; and publishes an airport directory and aeronautical chart.

The Division also operates the Yellowstone Airport located at West Yellowstone. The Yellowstone Airport was built entirely with federal funds to serve Yellowstone National Park primarily. It is one of only two airports designated by Congress to serve a national park - the other being the Grand Canyon Airport in Arizona. In both cases, the airports are being operated by

their respective state's aeronautics divisions. This seasonal airport receives scheduled air service (presently by SkyWest Airlines) and numerous charter flights and general aviation aircraft. The Airport is also the base for the U.S. Forest Service Interagency Fire Control Center which provides smokejumpers and retardant aircraft for Yellowstone Park, the U.S. Forest Service, and Bureau of Land Management lands surrounding the Park and southwestern Montana.

The Department of Transportation, as proposed by the Governor, includes the Aeronautics Division from the Department of Commerce.

Goals

To enhance Montana's economic development by fostering and promoting a safe and efficient aviation system for the movement of goods, services, and people within the state.

To foster and promote aviation and aviation safety.

To provide a safe, modern landing facility for all types of aircraft at Yellowstone Airport.

To establish a system of computerized pilot information centers which includes weather briefings, flight safety information, and flight plan filing for Montana pilots.

To plan and develop a regional fire training facility for airport aircraft fire fighters in order to meet Federal Regulations.

To actively promote the Yellowstone Airport in order to obtain additional airline service and increase tourism to Montana.

Authorization

Title 67-1-102, MCA	Policy - Aeronautics
Title 67-1-103, MCA	Board of Aeronautics
Title 67-1-104, MCA	Governmental nature of aeronautical functions
Title 67-1-201 - 211, MCA	Uniform state law of Aeronautics
Title 67-1-301 - 304, MCA	Finance
Title 67-2-101 - 105, MCA	Aeronautical powers and duties
Title 67-2-301 - 302, MCA	State Airports
Title 67-2-401 - 403, MCA	Intergovernmental cooperation
Title 67-3-301 - 429, MCA	Regulation and licensing
49 U.S.C. 1354(a) and 1422 (Federal)	Certification and operations. Land airports serving certain air carriers.
49 U.S.C. 1354, 1356 - 1358, 1421, 1655(c) (Federal)	Airplane and airport operator security.

Base Program

The Aeronautics Division is made up of five general administrative areas: the Aeronautics Board, Division administration, Safety and Education Bureau, Airport/Airways Bureau, and Yellowstone Airport, West Yellowstone. A total of 10.99 FTEs are assigned to the various functions including 9.60 to the Division and 1.39 to Yellowstone Airport.

Aeronautics Board:

The Aeronautics Board is composed of nine members appointed by the Governor. The Board serves the Division in an advisory capacity. The nine members represent the various facets of the Montana aviation community plus one member at-large.

Administration:

With personnel made up of the administrator and administrative assistant, this area is responsible for the overall operation of the Division and all its programs, including operation of the air carrier airport at West Yellowstone. This includes the direct supervision of the two bureau chiefs, coordination of aviation matters with the director of the Department of Commerce, coordinating activities of the Aeronautics Board, representing the state in state and national aviation related matters, planning and directing sound fiscal activities for the Division as a whole, coordinating legislative activities for the Division both at the state and national levels, and representing aviation interests in Montana before state and national aviation organizations.

In recent years, administration has been largely responsible for overall coordination of the annual Montana Aviation Conference (1990 was the sixth such Conference) which brings together all facets of the Montana aviation community for the exchange of information, ideas, and discussion of issues of concern.

The administration arm of the Division also provides administrative support for the Aeronautics Board, the Governor's Essential Air Service Task Force, and the Aviation Organizations of Montana.

Safety and Education Bureau:

This Bureau organizes and maintains a functional statewide air search and rescue organization. The Aeronautics Division is charged with this responsibility by agreement with the U.S. Air Force Rescue Coordination Center. The program is run through a network of volunteers. Civil Air Patrol resources are used where available. An Aeronautics Division employee is on call at all times, 24 hours per day, 365 days per year.

The bureau administers the aircraft and pilot registration - which is mandated by law. This involves processing registrations for approximately 2,700 aircraft and 2,300 pilots: collecting and recording registration fees, mailing licenses and decals to those registering, data entry and computer tracking of fees collected and reimbursement to counties of 90% of the aircraft fees collected.

The remainder of the Safety and Education Bureau programs fall under the mandate of the statutes to "provide for the protection and safety in aeronautics" (67-1-102, MCA.) The programs include:

1. Organizing and/or conducting various seminars and clinics for the purpose of educating pilots, flight instructors, search volunteers, and mechanics.
2. Producing a monthly aviation newsletter.
3. Organizing annual college accredited aviation/aerospace educator workshops. This program offers courses for Montana teachers for college credit.
4. Other projects that disseminate information about aviation and aviation safety include assisting teachers and schools in curriculum planning; conducting airport tours; participation in various career awareness projects which include attendance at high school and college career fairs and the organization of an annual aviation awareness poster contest; Veterans Administration VA/State approval agent for flight schools, liaison between flight schools and the VA; and the operation of a film library for the loan of films and videos to schools, organizations, and pilot groups.
5. The Bureau is also actively involved in monitoring the construction of towers and other obstructions to air navigation, inspecting and identifying hazards, and recommending marking and lighting.

Airport/Airways Bureau:

Duties of the Airport/Airways Bureau generally fall under the charge to "encourage the establishment of airports and other air navigation facilities" and to "designate, design, and establish, expand, or modify a state airways system which will best serve the interests of the state" as required by 67-2-101, MCA. The Bureau performs the following major functions:

Provides technical support to communities for planning, construction, maintenance and other airport improvements. Includes review of construction plans, assisting communities in securing federal grant funds, providing training on airport lighting systems, beacons, and other navigational aids, and solving local airport problems.

Administers a Preliminary Engineering Grant Program which provides engineering grants to airport owners planning construction and/or improvement projects.

Conducts annual airport safety inspections under contract with the National

Association of State Aviation Officials/Federal Aviation Administration. Between 85 and 100 Montana airports are inspected annually. Provides information to all federal, state, and private publishers of aeronautical guides, charts, directories, and other publications. Safety discrepancies are relayed to airport owners for corrective action.

Publishes an annual Airport Directory containing detailed information and drawings on Montana Airports. Updates the Aeronautical Chart every four or five years which depicts airways, navigational aids, hazards, and terrain of the state.

Operates the statewide system of navigational aids which includes:

1. Non-directional radio beacons which include fifteen (15) VFR stations for en route and homing guidance for pilots and ten (10) which additionally have public use standard instrument approach procedures. The NDBs are maintained by 14 technicians under contract with the Division and the local communities.
 2. Sixty-six (66) unicoms (air-to-ground radios) statewide. These provide safety communications to pilots.
 3. Operates and maintains system of eighteen (18) airway visual navigation beacons. These provide visual nighttime guidance through the mountains in western Montana. Four (4) airport beacons are also maintained.
- Operates and maintains 13 state-owned airports. These airports were designed, built, and maintained by Division personnel. They provide emergency, recreational, or community airports. The Division also operates the air carrier airport at West Yellowstone.

Operates a program for resale of airport supplies. This includes an inventory of airport lighting equipment. Supplies are purchased in bulk quantities at substantial savings and then resold to Montana airports.

Maintains and updates the Montana Aviation System Plan. This provides a five-year airport improvement program for airports, reviews airport obstructions, and updates federal list of airports eligible for federal Aviation User Trust Fund money. The System Plan is updated periodically. Principal funding for these projects is provided by federal grants from the Federal Aviation Users Trust Fund.

Yellowstone Airport: (West Yellowstone)

The Division administrator and Airport/Airways Bureau provide the policy making, budgeting, administrative, personnel selection, airport tenant leases.

airport safety and operation manuals, and major improvement and construction projects coordination for the Yellowstone Airport.

A seasonal airport manager, firefighter supervisor, and part-time custodian provide the day-to-day operation of the Airport during the five-month summer season. The manager coordinates the efforts of the airport tenants, airlines, fixed base operator, three rental car agencies, and a cafe operator to ensure that they abide by the conditions of their leases and to assist them with any problems. The manager assures that the Federal Air Regulations relating to safety, security, and certification standards are being met. The manager and firefighter supervisor ensure that all airport firefighting facilities are at 100% readiness during airline service and large jet traffic.

The manager coordinates the efforts of the Interagency Fire Control Center Base located on the Airport with its aerial retardant aircraft, fire patrol flights, and smokejumpers.

Base Funding

The Aeronautics Division is funded entirely from its earmarked revenue account. Funds deposited into this account include a 1 cent per gallon tax on aviation fuel, which amounts to the greatest share of Division income, 1/25 of 1 percent of the money collected on automobile gasoline (representing auto fuel used in aircraft), 10% of the total collected aircraft registration fees (the remaining 90% is returned to the counties), pilot registration fees, sale of miscellaneous publications, money collected through the resale program, and funds received under contract for the Airport Master Record inspections.

The portion of the aircraft registration fees (90%) that are returned to the counties are statutorily appropriated in Title 17-7-502, MCA.

The Yellowstone Airport is entirely self-sustaining and operates out of a proprietary account with the following revenue sources: 6% from landing fees which are based on gross plane weight; 7% from fuel flowage based on a percentage of the 5 cent per gallon charged by a fixed base operator; 25% from rent charged for floor space in the terminal building; 32% from the percentage of gross sales receipts from lessees such as car rentals, the

restaurant, and gift shop; and 9% from miscellaneous tie-down, taxi, and other fees, and 21% for airline property taxes collected by Gallatin County and transferred to the Yellowstone Airport for taxes on airline aircraft and other equipment serving the airport.

The West Yellowstone Airport proprietary funding is increased \$11,732 in FY92 and \$11,565 in FY93. Cost for supplies and maintenance have increased during the 1991 biennium. This increase is offset by a decrease in the earmarked account for the Division.

PERFORMANCE INDICATORS

	FY 90 <u>Actual</u>	FY 91 <u>Enact</u>	FY 92 <u>Base</u>	FY 93 <u>Base</u>
Aircraft Registrations	2,700	2,700	2,700	2,700
Pilot Registrations	2,200	2,200	2,000	2,000
School Tours Organized	23	25	25	25
Safety Seminars Conducted	6	6	6	6
Teacher Workshops Conducted	15	15	15	15
Mountain Search Clinic	1	1	1	1
Engineering Grants Awarded	15	15	15	15
Airport Inspections Conducted	76	90	90	90
Yellowstone Airport: airline, air tax and charter passengers	6,078	6,100	6,100	6,100

* {Since a great deal of Division time in both Bureaus is spent in general support of and research for communities and individuals in the aviation community, this time is extremely difficult to quantify.}

Increase or Decrease from Base

<u>Item</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Personnel Services	One vacant FTE was transferred from the Aeronautics Division to the Montana Promotion Division in order to better utilize department staff resources. This transfer has been implemented in FY91. Also a .50 FTE and .10 FTE were consolidated within the program to provide temporary help for pilot and aircraft registration.	(\$20,383	(\$19,766)
Operating Expenses	Operating expenses increased due to fixed cost adjustments, inflation and increased operating expenses at West Yellowstone Airport.	\$ 8,891	\$ 7,554
Equipment	Equipment for the Aeronautics Division is increased over the base to purchase three satellite computerized weather briefing stations and one electronic computerized navigational system for aircraft.	\$ 3,000	\$ 3,000
Airport Improvements	The West Yellowstone Airport is requesting proprietary authority in FY92 to meet requirements of the Federal Aviation Administration for airport runway restriping and establishment of a radio control lighting system.	\$17,000	\$ 0
Grants	Grants were decreased due to reallocation to other operating expenses.	<u>(\$ 5,000)</u>	<u>(\$ 5,000)</u>
		\$ 3,508	(\$14,212)

PUBLIC TRANSPORTATION DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	14.50	-1.50	13.00	14.50	-1.50	13.00
Personal Services	0.00	0	504,275	-51,117	453,158	503,474	-50,966	452,508
Operating Expenses	0.00	0	298,057	90,211	388,268	296,715	-89,909	206,806
Equipment	0.00	0	500	-146	354	500	0	500
Grants	0.00	0	1,604,684	1,400,000	3,004,684	1,604,684	-900,000	704,684
Total Agency Costs	\$0.00	\$0	\$2,407,516	\$1,438,948	\$3,846,464	\$2,405,373	\$-1,040,875	\$1,364,498
General Fund	0.00	0	535,974	53,732	589,706	535,884	-126,122	409,762
State Special Revenue Fund	0.00	0	971,250	900,000	1,871,250	971,250	-900,000	71,250
Federal Special Revenue Fund	0.00	0	900,292	485,216	1,385,508	898,239	-14,753	883,486
Total Funding Costs	\$0.00	\$0	\$2,407,516	\$1,438,948	\$3,846,464	\$2,405,373	\$-1,040,875	\$1,364,498

Overview

The Transportation Division consists of two bureaus, the Intermodal Commodities Bureau (ICB) and the Passenger Bureau (PB).

The Division is responsible for the recommendation of policies and for improvement of Montana's transportation system. The Division provides: 1) technical assistance to local communities and transit authorities for planning, organizing, operating and funding transportation systems; 2) administration of federal funds for capital, planning and operating transit subsidy; 3) a yearly update of the State Rail Plan, administration of federal and other funds for rail and related facility rehabilitation; 4) monetary assistance to communities through grants, loans and rail bonding authority; 5) representation of shippers and the State before the Interstate Commerce Commission and courts on rate issues, branchline abandonments and service.

The Transportation Division consists of 13 full-time employees: Administrator, Attorney, Administrative Officer, Program Assistant, four employees in the ICB; and five in the PB.

The Department of Transportation, as proposed by the Governor, includes the Transportation Division from the Department of Commerce.

Goals

To provide technical and financial assistance to local officials, communities, transit operators and users in the planning, development and financing of passenger transportation services;

To work with Montana's producers and shippers in preserving and maintaining a viable and competitive transportation system.

Authorization

Title 60, Ch. 11, MCA Rail Transportation

Title 60, Ch. 21, MCA Public Transportation

Title 69-14-101, MCA Rail Planning

Title 7-14-102, MCA State funds for public transportation

Base Program

Intermodal Commodities Bureau (ICB)

The ICB administers multiple phases of an integrated multi-modal state transportation program.

The program elements include: planning, project development and implementation, construction, facility operation and management audit, right-of-way and property control, transportation industry promotion, public assistance and state public policy response. State issues relating to rails, waterways, recreation trails, energy transportation, power networks, multi-use transportation corridors and highways are addressed by the ICB.

Rail Program

ICB is the designated state rail planning agency. A state rail plan must be developed and kept current to remain eligible for US DOT funding.

Rail carriers operating in Montana under ICC jurisdiction are required to report their system activities to the ICB. The ICB functions as a clearinghouse to formulate statewide public response to these rail actions.

Examples

1. McCarty Farms, Section 229 Rates
2. Branchline abandonments e.g. Scobey-Opheim, highway impact studies
3. Mergers, divestitures, bankruptcies
4. Service Faults, e.g. COT program, car supply
5. National Legislation, e.g. labor relations, deregulation

The ICB is involved in grant programs involving multiple state and federal agencies. Project construction requires ICB technical evaluation and monitoring. This is handled at all phases: from design, to materials, to construction practices in installation, to financial billing and accounting.

The state has acquired two rail properties which are administered by the ICB. The rights-of-way are a complex legal structure. Leases, easements and titles on hundreds of parcels are handled by the ICB staff. One example of a right-of-way problem includes major liability exposure as a named responsible party in the EPA Superfund Butte Priority Soils Project. These rail systems have problems with structures, hydrology, soils and materials which require ICB involvement. These railroad properties are covered under historic preservation statutes and the ICB is involved in that process.

The ten-year old McCarty Farms litigation involves market dominance of a single rail carrier and record evidence based on rate and costing specialties. This case has the potential of tens of millions of dollar impacts on Montana's grain industry.

Rail labor legislation impacting rail costs, land grant taxation, leveraged buyouts, revenue-to-variable cost standards, uniform rail costing models, quarterly cost index adjustments, contract rates, car supply and certificates of transportation are national rail related issues the ICB monitors and responds to on behalf of Montana.

Waterways

The ICB monitors activities on the Columbia-Snake River system and West Coast ports because it is an important waterway link for Montana agriculture commodities. User fees, fuel taxes, strikes, embargoes, equipment shortages, impact the transportation costs paid by Montana shippers.

The Missouri and Mississippi-Gulf system is also monitored because the lack of water in the Mississippi River can force traditional barge traffic to seek a railroad alternative. This in turn affects the rail car supply which Montana believes is contributing to the car shortage which is severely impacting the state this year.

Recreation

The Butte Historic Railroad, a unique recreational railroad, operates on rail properties leased from the Department of Commerce. The ICB provides technical railroad operations advice and assistance to the local community operators.

The ICB works with special interest groups such as Rails-to-Trails and local adjacent landowners on projects associated with rail properties. The Department of Agriculture - Forest Service and the Bureau of Land Management play major roles in passing the Rails-to-Trails program down to the states. The ICB coordinates with these federal agencies.

Intermodal Transfer

Intermodal transfer refers to the technologic advancement of the transportation industry to mechanize and coordinate between modes. The ICB was directly responsible for hub facility development at Silver Bow. The ICB secured funding and worked directly on design and construction of the facility. It now monitors the energy savings through special computer models.

A similar operation is under way at Shelby.

Passenger Bureau

The PB is the designated state transit planning agency. The Bureau is responsible for the planning of public transit and for administering various public and state programs of technical and financial transit assistance.

This program involves transit planning, program administration, project development, vehicle procurement, financial management, project monitoring, technical assistance and training.

Transit Planning

The PB receives grants from the Urban Mass Transportation Administration (UMTA) for conducting transit-related studies, providing transit planning assistance to nonurbanized localities, assisting in the administrative costs of the elderly and handicapped transportation program, and aiding elderly and handicapped transit providers and urban transit operators in gaining exposure to in-depth technical aspects of transit through conference programs. Local planning is essential before project money for vehicles, facilities, or operating can be obtained.

The PB administers transit planning grants to the Billings, Great Falls and Missoula city-county planning offices. The PB reviews the planning process and certifies each planning process. The PB provides guidance on national emphasis areas such as elderly and handicapped service planning, clean air, alternative fuels planning, Disadvantaged Business Enterprise planning, financial planning, competitive contract planning, suburban mobility planning, and safety/alcohol/drug control planning.

Vehicle Procurement

The PB administers two federal programs which provide matching funds for the procurement of vehicles and related transportation equipment like wheelchair lifts, emergency radios and computers. Non-profit organizations receive capital

funds for the procurement of vans and small buses for the transportation of elderly and handicapped. The PB monitors the use of each vehicle until it has depleted its useful life.

It should be noted that tens of thousands of federal and state dollars fund the operations of these vehicles. These funds are administered by social service agencies within the Departments of Social and Rehabilitative Services, Family Services and the Governor's Aging Office.

The other program provides capital on a matching basis for the procurement of vehicles and equipment used to transport the general public in non-urbanized areas.

Financial Management

The PB provides operating grants to communities and rural areas of less than 50,000 population for the provision of public transit service. These programs must demonstrate a need for general public transportation.

The PB, under Section 7-14-2-2, MCA, is charged with the responsibility to allocate one-half of the gas tax revenues appropriated for transit purposes among cities and urban transportation districts of the State. These funds are used for operating subsidy of general public transportation systems.

Technical Assistance and Training

The PB provides training, technical assistance, research and other support services for nonurbanized transit on the following topics: Substance Abuse, Awareness in Rural Transit; Understanding the Capabilities and Needs of special Passengers; Emergency Procedures for Rural Transit Drivers; Public Private Partnerships in Rural Transit; Essentials in Dispatching; Board Training; Developing Drug Testing Programs.

Program Administration

The PB solicits preapplications for the federal grant programs, conducts application workshops, reviews, screens and ranks applications. Once applications are approved, contracts are drawn up. Quarterly reports are reviewed and requests for funds are disbursed.

Project Monitoring

All grants through the PB are monitored on a regular basis, depending on the specific grant requirement. All grantees are visited at least once a year and a review is done of the entire program. Vehicle usage is monitored quarterly

throughout a vehicle's useful life. Grantees of operating and planning funds are reviewed each quarter. Vehicles are physically inspected every other year.

AMTRAK Rail Passenger Statistics

Aside from maintaining monthly ridership statistics for the AMTRAK Empire Builder for each of the eleven stations across northern Montana and conducting Empire Builder station inspections, the PB also explores the feasibility of requested rail passenger service concepts.

Base Funding

The Division is presently funded by Federal funds (Federal Rail Administration, Urban Mass Transportation Administration), state gas tax fund and general fund. There is currently a biennial appropriation for the McCarty Farms lawsuit from the general fund in addition to the regular general fund appropriation. Other funds are also received, such as Wheat Commission grants, Federal Highway grants, and special one-time federal grants. (Port of Montana hub facility, drug grants)

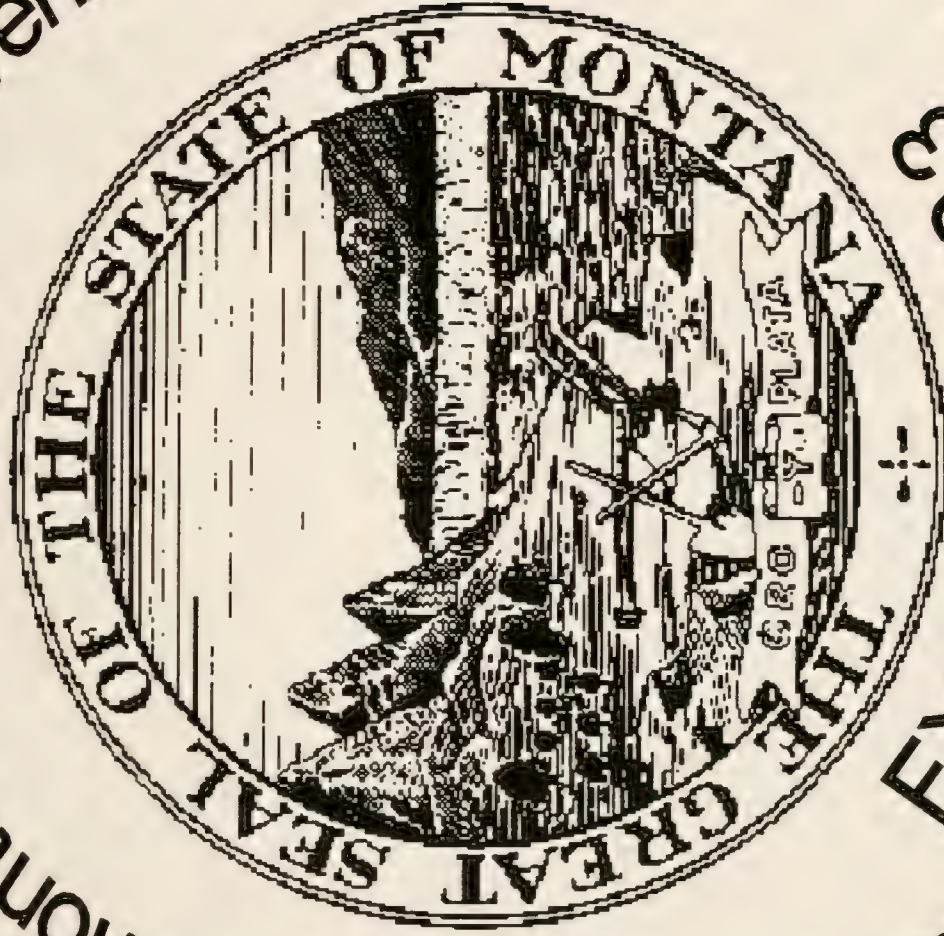
Performance Indicators

	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
Transit vehicles purchased and inspected	10	8	9	9
Grant Applications Reviewed, Approved/Funded/Monitored	38	41	43	50
Vehicles Specifications Written	10	8	9	9
Program Management Reviews	6	6	6	6
On-Site Reviews	55	58	60	62
Vehicle Inspections	91	0	91	0
Workshops Conducted	8	13	17	16
Transit Development Plans Completed	2	1	1	2
Passenger Bureau Data Base Developed/Updated	1	1	1	1
Abandonment filings	2	1	1	1
Abandonment hearings	1	1	1	1
ICC Ex Parte Proceedings	6	6	8	8
Weeks of Shortline Assistance	12	12	12	12
Rights of Way Agreements, Leases monitored	20	20	20	20
Rail Construction Projects	1	2	1	1
Rail Salvage Projects	0	1	1	0

Performance Indicators: (continued)

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>	
AmTrak Rail Passenger Studies	4	4	4	4	
Transportation Rate Studies	6	6	6	6	
Special Transportation Studies	6	6	6	6	
Increase or Decrease from Base					
<u>Item</u>	<u>Explanation</u>			<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Personal Services	Personal Services reflects a reduction of 1.50 FTE. One position, vacant because of reorganization, was transferred to the Business Development Division. A .50 FTE was deleted due to decreased federal funding.			(\$ 51,117)	(\$ 50,966)
McCarty Farms	The McCarty Farms appropriation has been established as a continuing appropriation in the First year of the 1993 biennium.			\$ 90,000	(\$ 90,000)
Railroad Improvements	The Department is requesting spending authority for Local Rail Service Assistance (LRSA) funds. These funds are received from the Federal Railroad Administration of the U.S. Department of Transportation Funds are used for various railroad construction and rehabilitation Railroad construction projects are funded 70% with LRSA and 30% with local match. No State funds are required. The Department has requested that this appropriation be established as a biennial appropriation.			\$ 500,000	\$ 0
Construction Loan Fd.	Placed the entire amount of the biennial appropriation for the Rail Construction Loan Fund in FY92.			<u>\$ 900,000</u>	<u>(\$ 900,000)</u>
				\$1,438,883	(\$1,040,966)

Montana Dept. of Revenue



FY92 - FY93
Biennial Budget Request

Department of Revenue - Narrative Budget Justification

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Department of Revenue - Agency Summary

Agency Main Table

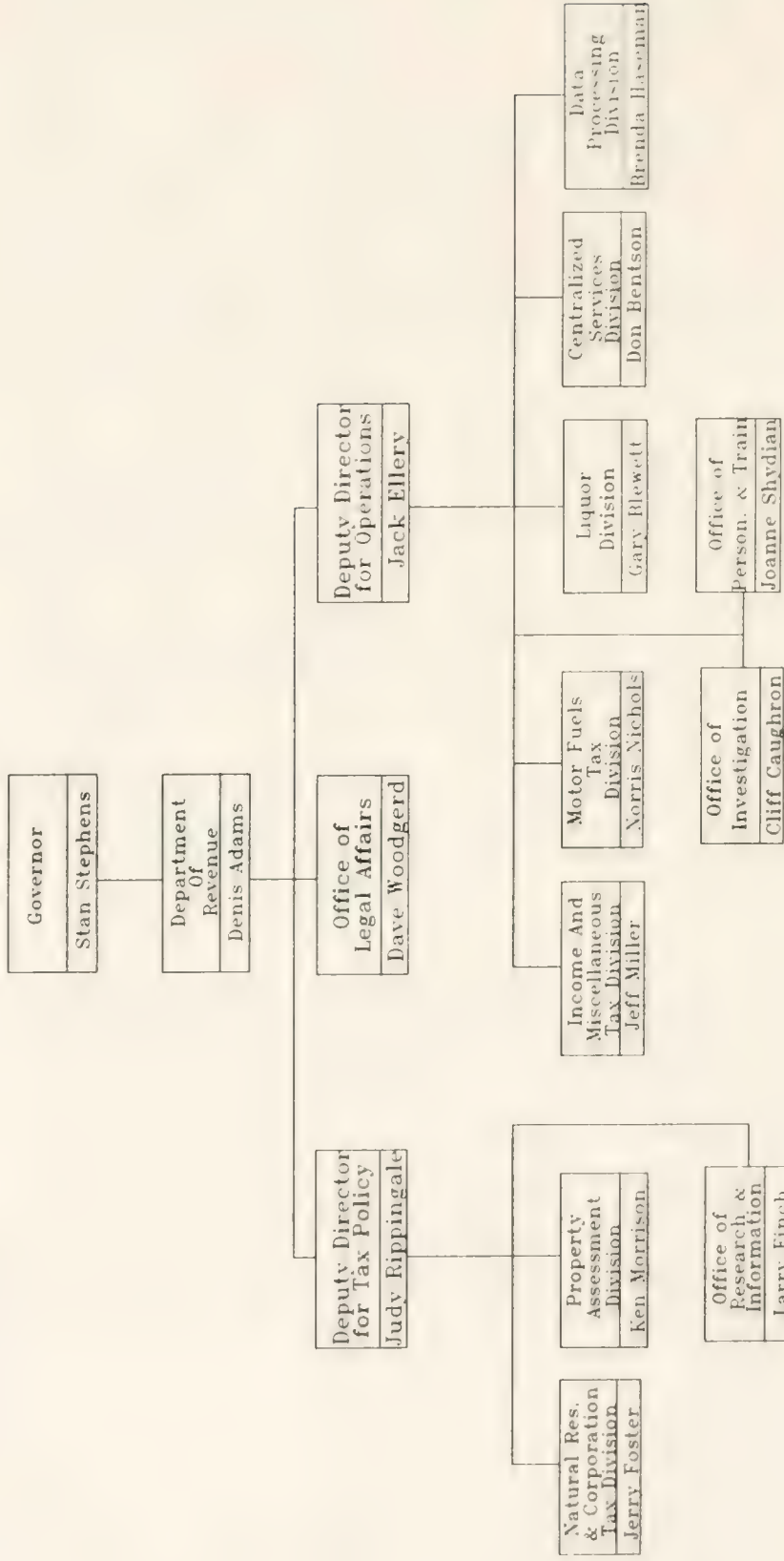
	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	799.99	803.08	779.58	-9.67	779.58	-10.00
Personal Services	17,616,208.88	19,902,028	19,598,625	-232,231	19,366,394	-238,890
Operating Expenses	33,449,816.33	27,426,042	27,498,526	3,967,371	31,465,897	4,128,413
Equipment	176,079.62	141,325	137,740	109,079	246,819	55,840
Local Assistance	13,606,504.43	57,094,000	55,484,000	9,500,000	64,984,000	9,000,000
Grants	0.00	1,000	0	0	0	0
Benefits and Claims	3,618.16	0	10,000	0	10,000	0
Transfers	13,602,688.43	14,160,000	0	0	0	0
Debt Service	155,883.05	155,884	155,884	112,689	268,573	112,689
Total Agency Costs	\$78,610,798.90	\$118,880,279	\$102,884,775	\$13,456,908	\$116,341,683	\$13,058,052
General Fund	21,920,400.19	34,612,142	32,164,722	5,836,734	38,001,456	5,468,741
State Special Revenue Fund	9,743,759.49	42,190,917	42,872,466	4,225,417	47,097,883	4,195,993
Federal Special Revenue Fund	233,724.63	329,515	264,788	29,000	293,788	29,000
Proprietary Fund	46,712,914.59	41,747,705	27,582,799	3,365,757	30,948,556	3,364,318
Total Funding Costs	\$78,610,798.90	\$118,880,279	\$102,884,775	\$13,456,908	\$116,341,683	\$13,058,052
Directors Office	1,297,264.77	1,522,983	1,488,905	118,743	1,607,648	118,328
Centralized Services	3,091,973.79	3,230,433	3,234,344	-8,033	3,226,311	-8,050
Data Processing	1,255,858.55	1,454,612	1,449,582	100,715	1,550,297	92,821
Liquor	45,897,722.59	40,934,645	26,756,095	3,339,305	30,095,400	3,337,847
Income Tax	3,407,354.64	3,521,591	3,598,433	344,624	3,943,057	290,138
Corporation Tax	7,685,719.18	40,202,884	41,470,765	3,956,037	45,426,802	3,955,742
Property Valuation	15,364,643.26	27,324,052	24,886,651	5,605,517	30,492,168	5,271,226
Motor Fuel Tax	610,262.12	689,079	0	0	0	0
Total Program Costs	\$78,610,798.90	\$118,880,279	\$102,884,775	\$13,456,908	\$116,341,683	\$13,058,052
			\$101,216,104	\$13,058,052	\$114,274,156	

Mission and General Description

The Department of Revenue's mission is to insure full and fair compliance with all state tax laws; to assist taxpayers in fulfilling their obligations to the state; to maximize the raising and uses of taxpayer funds by maintaining an efficient and timely mechanism for the collection and deposit of revenues; and to

implement all department responsibilities with professionalism, integrity and efficiency.

Montana Department of Revenue



Agency Organization

The principal responsibility of the Department is to collect and enforce approximately 31 state taxes and fees. The Department is also responsible for regulating the sale and distribution of alcoholic beverages. The Department is organized into eight programs (See Organization Chart - Page A-3):

Director's Office provides overall direction to the seven operating divisions within the agency;

Centralized Services provides centralized management and administrative services to all programs within the Department;

Data Processing provides large scale systems development, data entry, computer operations, and mid-range/microcomputer support to all areas of the Department;

Liquor Enterprise regulates the sale and distribution of alcoholic beverages in the state.

Income and Miscellaneous Tax administers and enforces the state personal income tax laws;

Natural Resource and Corporation Tax administers 17 different taxes in addition to administering the Federal Royalty Audit Programs;

Property Valuation appraises real and personal property on a statewide basis and assists county assessors on the performance of their duties;

Motor Fuels enforces compliance and administers license taxes on gasoline and diesel fuels. It also administers the refund provisions of the tax laws, supervises the bonding requirements of distributors, dealers and users to insure the proper collection of the license taxes, and issues permits and licenses.

Director's Office - Division Summary

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992			Fiscal 1993		
			Base	Incr/Decr	Recommended	Base	Incr/Decr	Recommended
Full Time Equivalent Employees	33.50	33.50	33.50	4.00	37.50	33.50	4.00	37.50
Personal Services	917,663.77	1,124,633	1,118,230	128,751	1,246,981	1,117,741	128,814	1,246,555
Operating Expenses	346,597.66	362,306	329,216	-6,308	322,908	333,727	-6,786	326,941
Equipment	26,278.98	20,044	16,459	-3,700	12,759	16,459	-3,700	12,759
Local Assistance	3,106.20	15,000	15,000	0	15,000	15,000	0	15,000
Grants	0.00	1,000	0	0	0	0	0	0
Benefits and Claims	3,618.16	0	10,000	0	10,000	2,000	0	2,000
Total Agency Costs	\$1,297,264.77	\$1,522,983	\$1,488,905	\$118,743	\$1,607,648	\$1,484,927	\$118,328	\$1,603,255
General Fund	738,810.06	905,724	886,657	151,438	1,038,095	890,672	151,017	1,041,689
State Special Revenue Fund	89,606.16	101,071	98,147	-88,147	10,000	90,147	-88,147	2,000
Federal Special Revenue Fund	108,392.55	172,734	144,578	29,000	173,578	144,585	29,000	173,585
Proprietary Fund	360,456.00	343,454	359,523	26,452	385,975	359,523	26,458	385,981
Total Funding Costs	\$1,297,264.77	\$1,522,983	\$1,488,905	\$118,743	\$1,607,648	\$1,484,927	\$118,328	\$1,603,255

Director's Office - Administration Activity

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Overview

The **Director's Office** provides management control, coordination of policy direction, strategic planning, legal and personnel services that assist the tax programs in carrying out their respective collection and enforcement responsibilities. This office provides detailed studies concerning the impact on State and local revenue sources caused by legislative action, executive decisions and changes in economic patterns. It provides a fact-finding service to the legislative and executive branches of State government, to the public and others interested in revenue issues in the State. In addition, it publishes major statistical reports on Montana taxation and a summary of all taxes, licenses and fees of the State.

The program includes a wide variety of management and administrative services such as legal services, investigation services, planning and research, and personnel.

The purpose of the program is to improve the efficiency of Departmental operations, increase the speed and accuracy with which tax payments are handled, and increase the degree of taxpayer compliance with state laws.

Goals

- 0 To protect the revenue generating capacity of the State of Montana while treating taxpayers courteously and equitably.
- 0 To conclude all tax appeals as quickly and efficiently as possible in order to maximize revenue and minimize expenses.
- 0 To provide legal advice in a timely manner to minimize litigation, increase settlements and assist the Department in administering tax laws.
- 0 To satisfactorily defend the State of Montana and the Department of Revenue in all litigation.
- 0 To publish the Report of the State Department of Revenue and Tax Expenditure Report for Montana, and transmit these reports to the Governor and the Legislature prior to each regular session;
- 0 To furnish the information published in the Department Report in a timely manner in the years between sessions;
- 0 To update the Montana Taxpayers Digest following each regular session to include the most recent legislative changes within

the time allowed by available resources/demands;

- o To prepare fiscal notes for each revenue proposal during each regular and special session within allotted time frames;
- o To respond to legislative and executive agency requests within a mutually agreed upon time frame;
- o To assist the Governor's Budget Office in the formulation of revenue estimates;
- o To prepare monthly reports describing Department of Revenue collections and to investigate significant deviations from historical collection patterns and revenue estimates;
- o To maintain currency in economic events, changes in other states' tax structures and the field of taxation;
- o To conduct special studies on taxation at the request of the Director, the Governor, the Legislature and other agencies;
- o To supply requested information on Montana taxation to the Director, the Governor, the Legislature and other agencies;
- o To complete the sales assessment ratio studies by mid-March of each year and assist in the preparation of the necessary administrative rules;
- o To calculate personal property tax reimbursement amounts for each taxing jurisdiction within the statutory deadlines;
- o To collect data and prepare databases for use by executive and legislative staff in their analysis of taxation proposals;
- o To provide personnel support necessary to enable the department to accomplish its objectives;
- o To insure department employees are properly classified in accordance with State Personnel Policies;
- o To insure all department personnel are aware of State and Department policies;
- o To insure all personnel actions are in compliance with State and Federal laws; and

DEPARTMENT OF REVENUE

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- o To monitor compliance with the Department EEO and Affirmative Action Plans.

Authorization

2-15-112, MCA

Provides for the duties and responsibilities of the department director. Additional authority is provided by:

2-7-104, MCA

The Director of Revenue is required to assist in the preparation of revenue estimates and is charged with the continuous study of tax problems and alternative structures.

15-1-203, MCA

The director is authorized to study other tax systems and recommend legislation that will improve tax administration and equity.

15-1-204, MCA

The director is required to consult the governor on tax issues, tax administration, department progress and furnish any other assistance he may require.

15-1-205, MCA

The department is required to publish the Report of the Department of Revenue and the Tax Expenditure Report of Montana.

15-1-111, MCA

The department is required to reimburse local taxing authorities for the revenue losses created by the reduction in personal property tax rates to 9%.

15-7-111, MCA

The department is mandated to conduct sales assessment ratio studies to adjust real property values to reflect current market conditions.

2-7-105 and 15-1-201, MCA

Requires local governments to assist in the information gathering activities of the department.

Base Program

The **Director's Office - Administration Activity** is comprised of three distinct functions. The components include the Offices of:

DIRECTOR'S OFFICE

Legal Affairs; Research and Information and Personnel and Training. The Director's Office also oversees the Office of Investigations which is described in a subsequent part of this narrative.

Office of Legal Affairs

The Office of Legal Affairs provides legal representation and other legal services to the Director and the seven divisions of the Department of Revenue. The office handles a large number of tax appeals before the Department; the State Tax Appeal Board; state and federal courts. It also handles numerous other types of cases in state and federal courts. Legal services are provided by issuing legal opinions at the request of division administrators and the Director. The Office is responsible for ensuring that the requirements for rule making are followed and that claims and other documents are filed in bankruptcy cases. The Office also drafts legislation at the request of the divisions, the Director and the Governor.

The major activities of the Office of Legal Affairs consist of litigation, settlement negotiations, legal research and writing for legal opinions and court briefs. The office handles all legal matters which develop concerning the administration and collection of corporation, income and natural resource taxes. These taxes constitute the largest payments to the state general fund. This office is also directly involved in litigation and settlement matters on property taxes which are the largest revenue sources for local governments and schools.

Office of Research and Information

The Office of Research and Information is responsible for developing detailed studies concerning the impact on state and local revenue sources and taxpayers caused by legislative action, executive decisions and changes in economic patterns. The office advises the Director on tax policy issues and recommends changes in the laws given their policy objectives. It provides fact-finding service for the legislative and executive branches of State government, the public and others interested in revenue issues in the State.

The office also is responsible for estimating changes in property tax appraisals that are used to adjust market values to reflect current market conditions and assists in the development of the various market areas for these studies. It collects the necessary data and calculates the reimbursement due to each of the state's

taxing jurisdictions to compensate for them for the lower personal property tax rate.

In addition, this office publishes major statistical reports on Montana taxation and a summary of all taxes, licenses and fees of the state.

Office of Personnel and Training

The Office of Personnel and Training is responsible for the administration of the classification and pay plans, development and interpretation of personnel policies and procedures, administration of recruitment and placement activities, development and monitoring of the Department's affirmative action plan for equal employment opportunity, development and implementation of the department training plan, resolution of employment grievances and appeals and coordination of all labor relation activities.

The Office of Personnel and Training is also responsible for insuring employees are fairly compensated, insuring compliance with all applicable laws and regulations, insuring the recruitment and placement of qualified applicants, insuring equitable treatment of all employees and applicants, improving present and future employee job performance and providing motivation and retention of a competent staff.

Base Funding

The Director's Office - Administration Activity is funded by the General Fund, Liquor Enterprise funds and Federal Welfare and Medicaid Fraud funds.

Performance Indicators

	FV90 Actual	FV91 Enacted	FV92 Base	FV93 Base	FV92 Recommended	FV93 Recommended
Office of Legal Affairs						
Closed Legal Cases	150	160	150	150	160	160
Settled Legal Cases	55	55	55	55	55	55
Bankruptcies Processed	3,400	3,400	3,400	3,400	3,400	3,400
Legal Opinions Issued	25	30	25	25	30	30
Administrative Rule Pages	300	300	300	300	300	300
Office of Research and Information						
Prepare Fiscal Notes	0	300	0	300	0	300
Publish Department Report	0	1	0	1	0	1
Publish Tax Expenditure Report	0	1	0	1	0	1
Sales Ratio Studies	1	1	1	1	1	1
Personal Property Reimbursement	2	2	2	2	2	2
Tax Policy Research Projects	5	5	5	5	5	5
Office of Personnel and Training						
Recruitment and Selection	250	250	250	250	250	250
Classification Reviews	140	140	140	140	140	140
Staff Training Sessions	14	14	14	14	14	14
Classification Appeals	4	5	5	5	5	5
Employee Grievances	9	10	10	10	10	10
Wage Appeals	1	1	1	1	1	1
Human Rights Appeals	1	2	2	2	2	2
Revise and Issue Policies	5	10	10	10	10	10
Labor Union Negotiations	5	6	6	6	6	6

Increase or Decrease from Base

Item	Explanation	Fiscal 1992	Fiscal 1993
Reorganization:	The increase of 4.00 FTE results from transfers from other divisions. One FTE was transferred from the Natural Resource and Corporation Division that became available from a reorganization. That position was classified as an economist to perform duties on an increased workload in the Office of Research and Information. Three FTE were transferred from the Property Valuation Division who were legal or legal-related FTE. These positions transferred as the result of a minor reorganization for the benefit of consolidating Department legal resources.	\$127,216	\$127,279
Reductions:	Operating expenses were decreased by \$7,000 each year in the Research & Information Section because base budgeted expenses substantially exceeded actual FY90 expenditures. It was later determined that this expense was for printing the Biennial Report to the Legislature and approximately \$7,000 will be needed in FY93 to print that report.	-\$7,000	-\$7,000
Funding Adjustment:	A funding adjustment was made in this program to accommodate the move of the Motor Fuels Division to the Department of Transportation. Highway special revenue funding was reduced by \$88,147 and the General Fund, Federal Funds and Liquor Funds were each increased by one-third of the \$88,147. Partial FTE were reduced in the Centralized Services and Data Processing Divisions to offset the increase to the General Fund.	\$88,147	\$88,147

Director's Office - Investigations Activity

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993			
			Base	Incr/Decr	Recommended	Base	Incr/Decr	Recommended
Full Time Equivalent Employees	12.00	12.00	12.00	.00	12.00	12.00	.00	12.00
Personal Services	280,694.77	341,890	326,568	740	327,308	325,871	739	326,610
Operating Expenses	85,939.63	78,519	80,037	951	80,988	80,795	409	81,204
Equipment	22,802.25	13,459	13,459	-3,700	9,759	13,459	-3,700	9,759
Local Assistance	3,106.20	15,000	15,000	0	15,000	15,000	0	15,000
Total Agency Costs	\$392,542.85	\$448,868	\$435,064	\$-2,009	\$433,055	\$435,125	\$-2,552	\$432,573
General Fund	3,831.30	34,377	22,359	1,691	24,050	22,413	1,148	23,561
Federal Special Revenue Fund	108,392.55	138,531	136,510	0	136,510	136,517	0	136,517
Proprietary Fund	280,319.00	275,960	276,195	-3,700	272,495	276,195	-3,700	272,495
Total Funding Costs	\$392,542.85	\$448,868	\$435,064	\$-2,009	\$433,055	\$435,125	\$-2,552	\$432,573

Overview

The Office of Investigations is responsible for performing the criminal and regulatory investigative functions required by state and federal statute. Specific areas of responsibility are alcohol beverage control, welfare and medicare fraud investigation, food stamp trafficking, and cigarette tax enforcement.

Goals

- To promote immediate investigative and enforcement actions where required by state statute.
- To complete all alcohol beverage licensing investigations, including background investigations of all applicants, within the statutory time limits.
- To provide specialized assistance to local law enforcement agencies in the detection and prosecution of alcohol beverage violations.
- To complete special alcohol and tobacco investigations including such matters as undisclosed financial interest in alcohol beverage licenses, state liquor store thefts, and possession or sale of untaxed alcoholic beverages and cigarettes.

- To investigate alleged Medicaid provider fraud, public assistance fraud and food stamp trafficking on behalf of the Department of Social and Rehabilitation Services.

Authorization

16-1-101, MCA

The Montana Alcoholic Beverage Code is an exercise of the police power of the state for the protection of the welfare, health, peace, morals and safety of the people.

16-4-402, MCA

Liquor Application - Investigation: the department shall within 30 days make a thorough investigation of all matters pertaining to applicant and determine whether applicant and premises are qualified and suitable for licensing.

53-2-501, MCA

Investigations and enforcement actions by Department of Revenue, when requested by the Department of Social and Rehabilitation services, for the purposes of investigations and enforcement of public assistance and vendor payment matters.

45-6-312, MCA

Unauthorized acquisition or transfer of food stamps is referred to the office for investigation and referral for prosecution, by

the Montana Department of Social and Rehabilitation Services.

16-11-141, MCA

Powers of arrest - search and seizure directs the department to administer and enforce the cigarette tax by searching and seizing evidence, arresting violators and entering complaints in court.

Base Program

The Office of Investigations is responsible for performing the criminal and regulatory investigative functions required by state and federal statute. Specific areas of responsibility are alcohol beverage control, public assistance fraud investigation, and cigarette tax enforcement.

All persons and organizations involved in the sale of alcoholic beverages including retailers, distributors, representatives, brewers, distillers, and carriers must obtain a license to operate. Applications are processed by the liquor division and all applicants are investigated by the office. The majority of these investigations require an examination of the premises to be licensed, interviews and record checks of all owners/shareholders. Based upon current activity in liquor license transfers, new licenses and premise expansions, and complaints from law enforcement and the public concerning alcohol beverage violations, the Office of Investigations expects to handle 650 requests for liquor investigations in FY91.

The office is also responsible for conducting a statewide program of investigation and referral for prosecution of violations regarding fraudulent claims to the Medicaid program, fraudulent receipt of Aid to Families with Dependent Children, fraudulent applications for food stamps, and illegal sales and acquisition of food stamps.

Base Funding

The Director's Office - Investigations Activity is funded by General, Proprietary and Federal funds. Federal funding is received from the United States Department of Health and Human Services through the Montana Department of Social and Rehabilitation Services for Medicaid and Welfare Fraud investigations. Federal funding requires a fifty percent (50%) state match.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	FY92 Recommended	FY93 Recommended
Office of Investigations						
Liquor License Inspections	600	650	650	650	650	650
License Background Checks	1,212	1,500	1,500	1,500	1,500	1,500
Correction Notices Issued	31	48	48	48	48	48
Violation Notices Issued	18	24	25	25	25	25
Local Law Enforcement Assists	3	8	8	8	8	8
Inspections - Spot Checks	48	100	100	100	100	100
Cigarette Investigations	3	5	5	5	5	5
Fraud Cases to Prosecution	38	50	50	50	50	50
Medicaid Fraud Investigations	3	3	3	3	3	3

Increase or Decrease from Base

Item	Explanation	Fiscal 1992	Fiscal 1993
Reduction:	The equipment budget was decreased by \$3,700 each year due to zero-based budget for equipment. \$3,700 was requested each year for portable computers.	-\$3,700	-\$3,700

Director's Office - Campaign Fund Activity

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Recommended	Base
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Grants						
Benefits and Claims	0.00	1,000	0	0	0	0
Total Agency Costs	3,618.16	\$1,000	10,000	10,000	2,000	2,000
			\$10,000	\$0	\$10,000	\$2,000
State Special Revenue Fund	3,618.16	1,000	10,000	10,000	2,000	2,000
Total Funding Costs	\$3,618.16	\$1,000	\$10,000	\$0	\$10,000	\$2,000

Overview

This activity involves collecting revenue from the income tax campaign fund checkoff and subsequently distributing the funds to Supreme Court and gubernatorial candidates.

Goals

The goal of this activity is to deposit, distribute and account for all funds collected on behalf of taxpayers for the campaign fund.

Authorization

13-37-304 (2), MCA

Provides for a statutory appropriation for all funds collected.

Base Program

This activity involves depositing collected funds and their subsequent distribution in accordance with state law.

Base Funding

This activity is funded by the General Fund.

Performance Indicators

Fund Transfers To Special Revenue Account
Warrants Issued To Candidates

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	FY92 Recommended	FY93 Recommended
	50	50	50	50	50	50
	6	6	6	6	6	6

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DIRECTOR'S OFFICE

Centralized Services Program

[illegible]

Centralized Services Activity

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	30.18	30.77	30.77	- .50	30.77	- .50
Personal Services	639,282.13	696,950	702,243	-7,326	694,917	700,977
Operating Expenses	124,162.81	112,483	111,101	-731	110,370	108,822
Equipment	4,680.00	6,000	6,000	24	6,024	62
Total Agency Costs	\$768,124.94	\$815,433	\$819,344	\$-8,033	\$811,311	\$815,799
General Fund	768,124.94	808,862	819,344	-8,033	811,311	815,799
Federal Special Revenue Fund	0.00	6,571	0	0	0	0
Total Funding Costs	\$768,124.94	\$815,433	\$819,344	\$-8,033	\$811,311	\$815,799
						\$-8,050
						\$807,749

Overview

Centralized Services provides services common to all department divisions that can be performed more efficiently by grouping resources. Services provided relate to budgeting, accounting, payroll, mail and tax return processing, cashing, internal auditing and purchasing. The program also administers the beer and wine statutes regarding department tax collections.

Goals

- o To provide selected support services to all department divisions to enable the divisions to focus their attention on operating objectives.
- o To administer beer and wine tax statutes regarding tax collections in a fair and impartial manner and strive to assure that each taxpayer pays the proper tax due.

Authorization

Section 2-15-112, M.C.A. provides for the duties and responsibilities of the department director and Section 42.1.101, Administrative Rules of Montana, provides for the organization of the Centralized Services Division.

Base Program

The administrative section performs administrative duties, system administration, budget coordination and some clerical activities. In addition, this section directs the other division functions and reviews division products. The objectives of the 2.00 FTE in this section under base funding include: completing all budget documents, operating plans, allocations and expense projections by assigned deadlines; maintaining a plan to complete the highest priority division duties with available resources; updating or writing division policies where the need exists; responding to all division requests for service or information and providing division staff with the tools necessary to efficiently complete their duties.

The accounting section operates the department portion of the Statewide Budget and Accounting System, makes the biweekly payroll, completes distribution of revenues, pays all bills of the department and prepares financial statements. The objectives of 9.50 FTE in this section under base funding are to process 40,000 accounting documents and fill 2,500 requests for financial information. The objectives of 2.00 FTE are to complete about 2,400 pay change forms to assure the issuance of 20,800 payroll warrants and maintain correct employee benefit attributes for department employees.

The general services section processes incoming mail, batches and prepares deposits from tax returns, operates a purchasing and

supply function, completes inventory records and performs tasks related to records management and disposing of surplus property. The objectives of 6.00 FTE in this section under base funding are to process 1,500,000 mail items, 1,300 supply orders and 1,000 fixed asset change forms (PAMS). The objectives of another 6.00 FTE in this section are to process 400,000 revenue/cashier items within 24 hours of document receipt, except during peak workload periods. The objectives of the remaining 3.00 FTE involve administrative and clerical functions, processing all department purchase orders and coordinating records management and surplus property functions.

The audit section performs liquor audits and operates the beer and wine tax system. The objectives of the 4.00 FTE in this section under base funding are to complete 200 liquor store audits and process 900 beer/wine tax forms.

Base Funding

This activity is funded from the general fund.

Performance Indicators

Centralized Services		FV90 Actual	FV91 Enacted	FV92 Base	FV93 Base	FV92 Recommended	FV93 Recommended
Accounting Doc. Processed		40,000	40,000	40,000	40,000	40,000	40,000
Financial Info. Requests		2,500	2,500	2,500	2,500	2,500	2,500
Payroll Warrants Issued		20,280	20,280	20,280	20,280	20,280	20,280
Payroll Change Docs. Proc.		2,400	2,400	2,400	2,400	2,400	2,400
Liquor Audits Completed		200	200	200	200	200	200
Beer/Wine Tax Forms Proc.		900	900	900	900	900	900
Revenue Items Processed		400,000	400,000	400,000	400,000	350,000	350,000
Mail Items Processed		1,500,000	1,500,000	1,500,000	1,500,000	1,450,000	1,450,000
Supply Orders Processed		1,300	1,300	1,300	1,300	1,300	1,300
Property Documents Proc.		1,000	1,000	1,000	1,000	1,000	1,000

Increase or Decrease from Base

Item	Explanation	Fiscal 1992	Fiscal 1993
Reorganization:	A .50 FTE was transferred to the proposed Department of Transportation.	\$8,033	\$8,050
Reallocation:	Minor adjustments were made to operating expenses to better reflect the current pattern of expenditure with a net change of zero.	0	0

Centralized Services - Local Assistance Activity

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr Recommended	Base	Incr/Decr Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Local Assistance	2,323,848.85	2,415,000	2,415,000	0	2,415,000	0
Total Agency Costs	\$2,323,848.85	\$2,415,000	\$2,415,000	\$0	\$2,415,000	\$0
State Special Revenue Fund	2,323,848.85	2,415,000	2,415,000	0	2,415,000	0
Total Funding Costs	\$2,323,848.85	\$2,415,000	\$2,415,000	\$0	\$2,415,000	\$0

Goals

- o To make accurate and timely distributions of local assistance payments.

Authorization

Sections 16-1-404(A), 406, 408, and 411, M.C.A. provides for the distribution of beer, wine and liquor license taxes to state institutions and cities and counties.

Base Program

The local assistance activity involves following distribution formulas in the law to disburse selected liquor taxes. About \$2.5 million is disbursed annually from these sources.

Base Funding

This task is funded by the general fund.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	FY92 Recommended	FY93 Recommended
Distribution Warrants Issued	2,624	2,624	2,624	2,624	2,624	2,624

Data Processing Program

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992 Base	Fiscal 1992 Incr/Decr	Fiscal 1993 Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	45.50	47.50	46.50	4.43	50.93	4.10	50.60
Personal Services	1,119,314.51	1,297,537	1,291,556	99,456	1,391,012	1,292,145	93,375
Operating Expenses	128,763.21	153,950	154,901	0	154,901	152,965	357
Equipment	7,780.83	3,125	3,125	1,259	4,384	3,125	-911
Total Agency Costs	\$1,255,858.55	\$1,454,612	\$1,449,582	\$100,715	\$1,550,297	\$1,448,235	\$92,821
General Fund	801,122.55	985,006	982,401	28,984	1,011,385	980,326	27,103
State Special Revenue Fund	0.00	0	0	71,731	71,731	0	65,705
Proprietary Fund	454,736.00	469,606	467,181	0	467,181	467,909	13
Total Funding Costs	\$1,255,858.55	\$1,454,612	\$1,449,582	\$100,715	\$1,550,297	\$1,448,235	\$92,821
							\$1,541,056

Overview

The Data Processing Division provides automated data and word processing services, detailed systems requirements analysis, systems development and maintenance services, data entry services, computer operations support services, and technical support for Departmental and personal computers.

Goals

- To complete system development projects within the appropriate project deadlines;
- To complete all system enhancement requests within the established time frames;
- To complete all microcomputer and Departmental hardware and system software installation and maintenance within the appropriate deadlines;
- To operate all production systems within the predefined schedule for each system;
- To data enter, process and return taxpayer refunds for all error free income tax short form returns filed prior to April 1 within fifteen days of receipt by the Department;

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To data enter and process all income tax returns by December of each year;

To data enter all local government severance tax returns such that billing can be made to the producers in February, May, August, and November and such that distribution can be made to the counties in May and November of each year; and

To provide quality word processing training and technical assistance.

Authorization

2-15-112, MCA

Provides for the duties and responsibilities of the department director and Section 42.1.101, Administrative Rules of Montana, provides for the organization of the Data Processing Division.

Base Program

The Data Processing activity is comprised of four distinct functions which include: Computer Operations; Data Entry/Text Administration; Systems Development; and Mid-range/Microcomputer Development.

The Computer Operations Section schedules the daily operation of

DATA PROCESSING

all of the Department's mainframe and IBM AS400 based production data processing systems, assures the successful execution of system processes, prepares and routes all system output to the appropriate destination, and operates the Departmental computer.

The **Data Entry/Text Administration Section** converts Department information from written to machine readable form; transfers information for computer processing; prioritized data entry workload; develops standards and policies for word processing; provides technical word processing education and assistance; and acts as liaison between users of word processing resources and the word processing staff.

The **Systems Development Bureau** provides system analysis and programming support required to develop and maintain large mainframe systems for the Department. This support function includes preparing feasibility studies and requirements analysis for proposed systems; analyzing data processing needs and objectives; providing cost benefit analysis for proposed systems; estimating operating costs for proposed and existing systems; assuring Department-wide system compliance with state laws and Department policies; documenting and developing systems according to the user requirements, implementing and testing new systems; and maintaining and enhancing existing systems.

The **Mid-range and Microcomputer Development Bureau** provides system analysis and programming support required to develop and maintain systems and computer hardware for the Departments' mid-range and micro computing systems. This support function includes preparing feasibility studies and requirements analysis for proposed systems and hardware; analyzing data processing needs and objectives; providing cost benefit analysis for proposed systems; estimating operating costs for proposed and existing systems; assuring Department-wide system compliance with state laws and Department policies; implementing and testing new systems; maintaining and enhancing existing systems; evaluating Departmental and microcomputer hardware and systems software needs; evaluating and recommending purchases of computer hardware and systems software, installing and maintaining all microcomputer hardware; developing and enforcing all Departmental microcomputer policies; and establishing and maintaining security for limiting access to all Department information systems.

Base Funding

This program is funded from the General Fund and Liquor Proprietary

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Fund. The amount of liquor funding is not intended to equal the liquor workload in this division. The ratio of liquor funds to general funds is based on historical funding. As long as liquor profits are placed in the General Fund, it is indifferent for expenses to be taken from the Liquor Fund or the General Fund.

The base includes \$30,182 (FY92) and \$30,116 (FY93) along with 1.00 FTE from a special session appropriation under HB2.

DATA PROCESSING

Performance Indicators

Data Entry

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	FY92 Recommended	FY93 Recommended
Income Tax Returns	365,000	368,650	372,000	376,000	376,000	376,000
Partnership Returns	9,000	8,700	8,500	8,500	8,500	8,500
Business Tax Filings	150,000	150,000	150,000	150,000	150,000	150,000
Liquor Store Sales	33,000	33,000	33,000	33,000	33,000	33,000
Motor Fuel's Returns	51,000	51,000	51,000	51,000		
Local Government Severance Tax Returns	18,000	18,000	18,000	18,000	18,000	18,000
Payroll Tax Returns					50,000	50,000

Increase or Decrease from Base

Item	Explanation	Fiscal 1992	Fiscal 1993
Modification Request: Workers Comp Payroll Tax	An increase of 2.33 data entry FTE in FY92 and 2.00 FTE in FY93 are required in this program to help implement the systems for the collection of the Worker's Comp Payroll Tax. The modification is described in more detail in the Income Tax activity.	\$41,549	\$35,589
Reorganization:	(1) An increase in 2.60 FTE resulted from a transfer from the Property Valuation Division to consolidate data processing resources.	\$59,166	\$57,232
Reallocation:	(2) A .50 FTE was transferred to the proposed Department of Transportation. Operating expenses were increased and decreased to reflect the current pattern of expenditure with a net effect of zero.	0	0

Liquor Program

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993			
			Base	Incr/Decr	Recommended	Base	Incr/Decr	Recommended
Full Time Equivalent Employees	125.00	125.00	125.00	-18.00	107.00	125.00	-18.00	107.00
Personal Services	2,733,064.05	3,178,961	3,140,217	-429,661	2,710,556	3,142,439	-430,027	2,712,412
Operating Expenses	29,546,072.61	23,595,684	23,615,878	3,768,966	27,384,844	23,616,916	3,767,874	27,384,790
Equipment	15,897.50	0	0	0	0	0	0	0
Transfers	13,602,688.43	14,160,000	0	0	0	0	0	0
Total Agency Costs	\$45,897,722.59	\$40,934,645	\$26,756,095	\$3,339,305	\$30,095,400	\$26,759,355	\$3,337,847	\$30,097,202
Proprietary Fund	45,897,722.59	40,934,645	26,756,095	3,339,305	30,095,400	26,759,355	3,337,847	30,097,202
Total Funding Costs	\$45,897,722.59	\$40,934,645	\$26,756,095	\$3,339,305	\$30,095,400	\$26,759,355	\$3,337,847	\$30,097,202

Note: The Liquor Program historically operates on a "language" appropriation with expenditure limits and a profit goal. Amounts are

Liquor Enterprise Activity

[illegible]

Overview

The Liquor Division administers the provisions of Title 16, MCA for the control, sale and distribution of alcoholic beverages.

Goals

- o During the biennium return at least 10% of net sales as profit to the general fund and maintain expenses at not more than 15% of net sales.

Authorization

Title 16. MCA

The Montana Alcoholic Beverage Code declares that it is the policy of the state of Montana to effectuate and ensure the entire control of the manufacture, sale, and distribution of alcoholic beverages within the state subject to the authority of the state through the Montana department of revenue.

Base Program

The Inventory Management Bureau forecasts suggested orders for vendors to maintain adequate inventory under a bailment warehousing system on all products for distribution and sale through state retail liquor stores/agencies; publishes a retail price list on a quarterly basis; prepares analysis on new products and sale patterns of existing products; prepares inventory and sales data

for distribution to vendors; and audits all vendor payment authorization and invoices.

The Warehouse Bureau receives and stores all alcoholic beverage merchandise ordered, assembles orders from individual state retail liquor stores/agencies and schedules shipment by the most economical means and routes.

The Stores Bureau supervises and evaluates all phases of state retail store and agency operations, analyses and audits retail outlets financial condition and profit potential, negotiates store leases and evaluates bids for selection of agencies, develops and implements merchandising/marketing techniques, and training programs for store personnel and agents.

The State Liquor Stores and Agencies Stores maintain an adequate variety of listed alcoholic beverage products in inventory for direct sale to retail licensees and the public, maintains store premise in a well kept attractive manner and conducts in-store merchandising and marketing programs.

Base Funding

The Liquor Division is funded through the enterprise fund which receives deposits from the sale alcoholic beverages at Division stores and agencies.

Performance Indicators

Liquor	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	FY92 Recommended	FY93 Recommended
<u>Inventory Management</u>						
Weekly transaction/Payment Authorization	0	1,100	3,450	3,450	3,450	3,450
Purchase Orders/Special	835	795	350	240	350	240
Freight Invoices/Inbound	835	795	350	240	350	240
<u>Warehouse</u>						
Cases Received	496,025	460,518	456,574	452,663	456,574	452,663
Repack Cases Shipped	7,000	12,427	12,320	12,215	12,320	12,215
Full Cases Shipped	457,497	448,091	444,253	440,448	444,253	440,448
<u>Stores</u>						
State Stores	34	30	30	30	30	30
Agency Stores	95	98	98	98	98	98
Orders Processed	2,988	2,964	2,964	2,964	2,964	2,964
Bottles Sold	4,967,542	4,924,993	4,882,808	4,840,984	4,882,808	4,840,984

Increase or Decrease from Base

Item	Explanation	Fiscal 1992	Fiscal 1993
Reductions/Reallocation:	The base FTE for the Liquor Program was decreased by 27 FTE. Nine FTE were moved to the Licensing Program because it is treated as a separate activity. Eighteen FTE were the result of closing stores or converting the stores to agencies due to low profit return or the positions were not utilized.	\$627,496	\$627,772
Reallocations:	Operating expenses were increased and decreased to reflect the current pattern of expenditure with a net increase of \$106,345.	\$106,345	\$106,345
Budget Cost Increase:	The budget amount for "goods purchased for resale" was increased.	\$3,602,800	\$3,602,800
Added to Table:	Transfers for FY91 were inadvertently left out in the 92 and 93 base. The amounts would be \$14,200,000 each year.		

Liquor Licensing Activity

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	9.00	9.00	.00	9.00	.00	9.00
Personal Services	155,491.45	195,157				
Operating Expenses	61,683.92	59,821	0	197,835	0	197,745
Equipment	8,436.89	0	0	59,821	0	59,821
Total Agency Costs	\$225,612.26	\$254,978	\$0	\$257,656	\$0	\$257,566
Proprietary Fund	225,612.26	254,978	0	257,656	0	257,566
Total Funding Costs	\$225,612.26	\$254,978	\$0	\$257,656	\$0	\$257,566

Overview

The Licensing Activity administers the provision of Title 16, Montana Code Annotated relating to the licensing of manufacturers, wholesalers and retailers of alcoholic beverages.

Goals

- o Process applications for liquor license transfers within 60 days of receipt and within the quota limitations established by statute.

Authorization

Title 16, Ch 1-6, MCA

The Montana Alcoholic Beverage Code declares that it is the policy of the state of Montana to effectuate and ensure the entire control of the manufacture, sale, and distribution of alcoholic beverages within the state subject to the authority of the state through the Montana department of revenue.

Base Program

The Licensing Bureau determines qualifications of applicants for the manufacture, wholesale and retail licenses, issues licenses and process annual renewals of licenses and registrations. The bureau schedules hearings as required, represents the department at such hearings and prepares records of the hearings.

Base Funding

The Licensing Activity is funded through the enterprise fund which receives deposits from the sale of alcoholic beverages at Division stores and agencies.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	FY92 Recommended	FY93 Recommended
Liquor Licensing						
Applications Processed	1,040	1,040	1,040	1,040	1,040	1,040
Administrative Hearings	20	20	20	20	20	20

Increase or Decrease from Base

Item	Explanation	Fiscal 1992	Fiscal 1993
Reallocation:	The FTE and operating expenses for the Licensing Activity were deducted from the Liquor Program and added to this activity.	\$257,656	\$257,566
Funding:	In prior budgets the licensing activity has operated under the "language" appropriation for the Liquor Enterprise Activity. This budget separates the licensing activity and treats it as a unique function with a separate appropriation which appears more appropriate.		

Income and Miscellaneous Tax Program

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	103.15	103.65	105.15	9.00	114.15	9.00
Personal Services	2,190,690.98	2,447,624	2,487,890	204,963	2,692,853	204,511
Operating Expenses	1,208,147.58	1,073,967	1,110,543	28,165	1,138,708	25,238
Equipment	8,516.08	0	0	111,496	111,496	60,389
Total Agency Costs	\$3,407,354.64	\$3,521,591	\$3,598,433	\$344,624	\$3,943,057	\$3,861,617
General Fund	3,254,772.54	3,353,777	3,357,067	102,791	3,459,858	71,703
State Special Revenue Fund	152,582.10	167,814	241,366	241,833	483,199	218,435
Total Funding Costs	\$3,407,354.64	\$3,521,591	\$3,598,433	\$344,624	\$3,943,057	\$3,861,617

Income and Miscellaneous Tax Activity

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993			
			Base	Incr/Decr	Recommended	Base	Incr/Decr	Recommended
Full Time Equivalent Employees	103.15	103.65	105.15	9.00	114.15	105.15	9.00	114.15
Personal Services	2,190,690.98	2,447,624	2,487,890	204,963	2,692,853	2,485,546	204,511	2,690,057
Operating Expenses	1,208,147.58	1,073,967	1,105,543	28,165	1,133,708	1,080,933	25,238	1,106,171
Equipment	8,516.08	0	0	111,496	111,496	0	60,389	60,389
Total Agency Costs	\$3,407,354.64	\$3,521,591	\$3,593,433	\$344,624	\$3,938,057	\$3,566,479	\$290,138	\$3,856,617
General Fund	3,254,772.54	3,353,777	3,357,067	102,791	3,459,858	3,333,625	71,703	3,405,329
State Special Revenue Fund	152,582.10	167,814	236,366	241,833	478,199	232,854	218,435	451,289
Total Funding Costs	\$3,407,354.64	\$3,521,591	\$3,593,433	\$344,624	\$3,938,057	\$3,566,479	\$290,138	\$3,856,617

Overview

The Income and Miscellaneous Tax Division administers and enforces the Montana personal income, withholding, inheritance, accommodations, and numerous other miscellaneous business taxes, licenses, and fees. In aggregate, the Division's programs are expected to collect in excess of \$ 300 million for FY 90. Income taxes alone, represent Montana's largest source of general fund revenues. In FY91 Income Tax Collections are distributed 50% to the State General Fund, 41.3% to the School Foundation Program, and 8.7% to the Sinking Fund for retirement of state bonds.

Goals

The goals of the program include:

- o In a manner respectful of all citizens, insure full and fair compliance with all state tax reporting and registration requirements of the Individual Income, Inheritance, Abandoned Property, and Miscellaneous Business Tax statutes.
- o Maintain an efficient and cost effective mechanism to account for, identify, assess and collect taxes owing and refund those overpaid.
- o Promote Division accessibility to assist customers in

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understanding and fulfilling their filing obligations to the State.

Authorization

Enabling statutes include Montana Code Annotated: Title 70 Chapter 9, Title 15, Chapters 25, 30, 50, 53 through 57, & 65, Title 61 Chapter 3, Title 16 Chapters 10 & 11, Title 69 Chapter 1, Title 10 Chapter 4, Title 72 Chapters 1 through 16, Title 17 Chapter 3, Title 35 Chapter 18, and Title 23 Chapter 2.

Base Program

The division is in direct contact with approximately 390,000 individuals and 30,000 Montana businesses on an annual basis. In addition to the individual income tax returns and refund claims, this program is also accountable for the effective processing and retention of partnership returns, fiduciary and trust returns, estimated income tax filings, extension requests, elderly homeowner/renter credit applications and employer withholding reports.

The division is customer oriented and provides numerous customer services. These include dissemination of forms, instructions, and registration materials. This is accomplished through direct mailings, employer - withholding training clinics, walk-in taxpayer assistance in 6 of Montana's major cities, Volunteer Income Tax

INCOME AND MISCELLANEOUS TAX

Assistance training, toll free phone service, and tax practitioner training on new laws and requirements.

Compliance with Montana's statutes is encouraged by the presence of active examination, compliance, and collection functions. These functions perform both office and field audit examinations, resolution of computer identified errors, automated and manual cross referencing of other agency data files, and collection enforcement measures as appropriate to the circumstances. The majority of disputed tax assessments are resolved through an administrative appeals process before the Department.

Base Funding

Primary funding for the Income Tax Division is the General Fund. Minor funding is provided through special revenue funds for Inheritance Tax, Non-game Wildlife Checkoff, Accommodations Tax, Emergency Telephone Tax and Dangerous Drug Tax. Special revenue funding for the Wildlife Checkoff, Telephone Tax and Dangerous Drug Tax have some statutory limitations. The other special revenue funds are direct appropriations.

Special session legislation (HB0002) added some funding from the General Fund and some from the State Fund's Payroll Tax Account special revenue.

Performance Indicators

Educating and Assisting Taxpayers

Answer Toll Free Telephone Calls	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	FY92 Recommended	FY93 Recommended
Conduct Business Assistance Clinics	12,000	12,500	13,000	13,500	13,000	13,500
Conduct TCE and VITA Training Sessions (with IRS)	11	11	11	11	11	11
Respond to Business Registrant Inquiries Within	20	20	22	22	22	22
Number of New Applications	8 days	6 days	5 days	5 days	5 days	5 days
Respond to Inquiries For Information/Explanation Within	4,500	5,000	6,000	6,000	6,000	6,000
	10 days	10 days	10 days	10 days	10 days	10 days

Receiving and Processing Forms and Reports

Issue Inheritance Tax Certificates	4,550	4,550	4,550	4,550	4,550	4,550
Process Income Tax Returns	365,000	368,650	372,336	376,059	372,336	376,059
Process Partnership Returns	9,000	8,700	8,500	8,500	8,500	8,500
Process Income Tax Extensions	27,000	27,000	27,500	28,000	27,500	28,000
Process Business Filings	200,000	200,000	200,000	200,000	200,000	250,000
Process Inheritance Taxes	5,000	5,000	5,000	5,000	5,000	5,000
Process Unclaimed Property Reports	28,000	28,000	28,000	28,000	28,000	28,000

Processing Tax Payments and Refunds

Refunds Issued	\$41,202,000	\$41,202,000	\$41,202,000	\$41,202,000	\$41,202,000	\$41,202,000
Income Tax Payments	\$303,963,000	\$303,963,000	\$303,963,000	\$303,963,000	\$303,963,000	\$303,963,000
Estimated Tax Payments	\$33,000,000	\$36,300,000	\$39,930,000	\$43,923,000	\$39,930,000	\$43,923,000
Inheritance Tax Payments	\$8,600,000	\$8,600,000	\$8,600,000	\$8,600,000	\$8,600,000	\$8,600,000
Abandoned Property Payments	\$1,067,000	\$1,067,000	\$1,067,000	\$1,067,000	\$1,067,000	\$1,067,000

Insuring The Accuracy Of All Returns

Correcting Returns With Errors	105,000	106,000	107,000	108,000	107,000	108,000
Assessments Due To Corrections	\$3,700,000	\$3,885,000	\$4,079,000	\$4,283,000	\$4,079,000	\$4,283,000

Taxpayer Audits And Review Of IRS Revenue Agents Reports

Examinations and Audits	12,896	13,596	13,796	14,096	13,796	14,096
Assessments Due To Audits	\$5,610,000	\$5,725,000	\$5,815,000	\$6,020,000	\$5,815,000	\$6,020,000

Locating Non Filers

Number Of Solicitations	6,500	7,500	7,500	7,500	7,500	7,500
Anticipated Assessments	\$3,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000

DEPARTMENT OF REVENUE

A-30

INCOME AND MISCELLANEOUS TAX

Performance Indicators

Collection Of Delinquent Accounts

Notify Periodic Filers Within
 Notify Annual Filers Within
 Process Waiver Requests And Appeals Within
 Delinquent Account Collections

FV90 Actual	FV91 Enacted	FV92 Base	FV93 Base	FV92 Recommended	FV93 Recommended
7 weeks	6 weeks	6 weeks	6 weeks	6 weeks	6 weeks
12 weeks	10 weeks	10 weeks	10 weeks	10 weeks	10 weeks
30 days	25 days	20 days	20 days	20 days	10 weeks
\$5,800,000	\$5,800,000	\$5,800,000	\$5,800,000	\$6,808,000	\$7,400,000

Administrative Support Activities

Composing Longhand Letters
 Generating Pattern Letters
 Generating Mailing Labels
 Generating Special Taxpayer Notices
 Generating Special Forms
 Computer Generated Letters
 Other Mail
 Answering Phone Calls

5,228	4,600	4,000	4,000	4,000	4,000
46,477	42,760	40,000	40,000	40,000	40,000
26,037	26,000	26,000	26,000	26,000	26,000
25,115	25,000	25,000	25,000	25,000	25,000
7,799	7,000	7,000	7,000	7,000	7,000
58,206	74,500	95,360	122,000	95,360	122,000
116,087	151,000	196,300	255,000	196,300	255,000
44,000	44,000	44,000	44,000	44,000	44,000

Records Management And Storage

Maintain Current/Back Year
 Taxpayer Returns And Reports
 Maintain Active Audit Files

4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
30,000	30,000	30,000	30,000	30,000	30,000

Increase or Decrease from Base

Item	Explanation	Fiscal 1992	Fiscal 1993
Modifications Request:			
Workers Comp Payroll Tax	This modification request is for 6.00 FTE and related operating expenses to perform duties related to the collection of the Worker's Comp Payroll Tax. The positions requested include:	\$177,847	\$143,312
.5	Grade 13 (balance of the .5 FTE funded under HB2) this is a lead worker position brought on early to assist in the transfer of the tax between agencies. The position continues as a lead worker.		
1.0	Grade 13 Audit position		
2.0	Grade 12 Collectors		
2.0	Grade 9 Technicians - account reconciliation, error resolution, etc.		
.5	Grade 6 Clerk - records management		
6.0	FTE		

The level of positions requested associate to a significant (42%) increase in registrants and related filings. Present withholding population is approximately 24,000 registrants as compared to an expected 34,000 payroll tax registrants.

The budget modification related to ongoing personal services and operating expenses as well as a one-time expenditure for equipment.

Accounts Receivable

\$94,484

880,688

This modification request is for 3.00 FTE and related operating expenses to enhance the Division effort to collect accounts receivable. From December 1988 to December 1989 Division receivables have increased from \$21.5 million to \$30.1 million. Most of this increase is attributable to Dangerous Drug Tax assessments, but Income, Withholding and Business Tax receivables remain at record levels.

In response to this growth, the Division has revised internal policies, prioritized work, adjusted staffing within the limits of authorized FTE, and accelerated the transfer of old accounts to the Treasurer's Office Bad Debt function. In spite of these adjustments, it is apparent the Division's Collection Staff is not sufficient to service the inventory of accounts and curtail the growth of delinquent accounts.

The justification for the proposal is increased revenue and more effective enforcement of Montana's tax statutes. Our experience has shown it reasonable to expect additional collections resulting from this proposal should be approximately \$1,008,000 in FY92 and \$1,600,000 in FY93. Funding staff at the Division level is more cost effective than releasing the receivables to a private collection activity and paying a commission ranging from 30 to 50%.

Equipment Replacement

\$66,389

\$66,389

This modification request is for equipment replacement. The equipment budget for this Division for the entire 1990/91 biennium was \$10,000. Normal use and the age of much of the equipment will require repair or replacement in the upcoming biennium.

Special Session Change:

Workers Comp Payroll Tax

No changes were made to the Income Tax base request. Included in the base request is 2.00 FTE as a result of action taken by the 1990 Special Session. 1.5 FTE is expected to be transferred from the State Fund and .5 FTE was authorized by HB2 to collect the Worker's Comp Payroll Tax.

Funding Shift:

General Funds included in the base are shifted to the State Fund Payroll Tax Account in the recommended budget.

Drug Distribution Activity

	Fiscal 1990	Fiscal 1991	Fiscal 1992		Fiscal 1993	
	Actual	Appropriated	Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Operating Expenses	0.00	0	5,000	0	5,000	0
Total Agency Costs	\$0.00	\$0	\$5,000	\$0	\$5,000	\$0
State Special Revenue Fund	0.00	0	5,000	0	5,000	0
Total Funding Costs	\$0.00	\$0	\$5,000	\$0	\$5,000	\$0

Overview

Title 15, Chapter 25, MCA directs the administration of the Dangerous Drug Tax. Simply, the arresting officer completes the tax return, and mails it to the Department of Revenue. The taxpayer may sign the return. Revenue calculates the assessment in accordance with the statute (either based on market value or a statutory rate, whichever is higher) and sends the taxpayer a statement of account.

The tax and applicable penalties and interest is collected in the same way as are other taxes administered by the Department of Revenue under Title 15.

Distribution of the tax collected is as follows:

- 33 1/3% to Department of Family Services
33 1/3% to Department of Justice
33 1/3% to Law enforcement agency responsible for
seizing the dangerous drug.

Goals

The goal of the program is to collect the tax as directed by statute in a cost effective and uniform manner and in conjunction with Department policies. The administrative costs of the program are to be reimbursed through the collection of a 5% Administrative Fee assessed to the taxpayer. Although the original intent was to reimburse the state prior to any other distribution, 5% is retained from each payment until the fee is paid. The remaining 95% is

distributed as required. It is management's hope that the distribution will encourage active participation from law enforcement.

Authorization

Enabling statutes include Montana Code Annotated: Title 70 Chapter 9, Title 15, Chapters 25, 30, 50, 53 through 57 & 65, Title 61 Chapter 3, Title 16 Chapters 10 & 11, Title 69 Chapter 1, Title 10 Chapter 4, Title 72 Chapters 1 through 16, Title 17 Chapter 3, Title 35 Chapter 18, and Title 23 Chapter 2.

Base Program

Since inception of the tax, the division has assessed approximately 6.9 million dollars involving approximately 1,000 taxpayers. The division has collected approximately \$79,000, half of which is under protest. The Dangerous Drug Tax is presently under judicial review with the constitutionality of the tax primarily at issue.

Base Funding

Funding for this activity is special revenue.

Performance Indicators

Dangerous Drugs

Process returns within	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	FY92 Recommended	FY93 Recommended
Notify law enforcement within	15 days	15 days	15 days	15 days	15 days	15 days
Respond to inquiries within	30 days	30 days	30 days	30 days	30 days	30 days
Process distributions within	8 days	6 days	5 days	5 days	5 days	5 days
	30 days	30 days*	30 days	30 days	30 days	30 days

*Some distributions are being held in abeyance pending adjudication.

Corporation and Natural Resource Tax Program

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992-----		Fiscal 1993-----	
			Base	Incr/Decr	Base	Incr/Decr
			Recommended		Recommended	
Full Time Equivalent Employees	35.00	35.00	35.00	-2.00	35.00	-2.00
Personal Services	842,611.18	1,089,998	1,044,586	-63,346	1,042,610	-63,205
Operating Expenses	337,269.45	356,386	369,679	19,383	370,002	18,947
Equipment	795.29	2,500	2,500	0	2,500	0
Local Assistance	6,505,043.26	38,754,000	40,054,000	4,000,000	37,904,000	4,000,000
Total Agency Costs	\$7,685,719.18	\$40,202,884	\$41,470,765	\$3,956,037	\$39,319,112	\$3,955,742
General Fund	992,926.84	1,234,721	1,232,602	-43,963	1,230,949	-44,258
State Special Revenue Fund	6,567,460.26	38,817,953	40,117,953	4,000,000	37,967,953	4,000,000
Federal Special Revenue Fund	125,332.08	150,210	120,210	0	120,210	0
Total Funding Costs	\$7,685,719.18	\$40,202,884	\$41,470,765	\$3,956,037	\$39,319,112	\$3,955,742
			\$45,426,802		\$43,274,854	

Corporation and Natural Resource Tax Activity

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993			
			Base	Incr/Decr	Recommended	Base	Incr/Decr	Recommended
Full Time Equivalent Employees	35.00	35.00	35.00	-2.00	33.00	35.00	-2.00	33.00
Personal Services	842,611.18	1,089,998	1,044,586	-63,346	981,240	1,042,610	-63,205	979,405
Operating Expenses	337,269.45	356,386	369,679	19,383	389,062	370,002	18,947	388,949
Equipment	795.29	2,500	2,500	0	2,500	2,500	0	2,500
Total Agency Costs	\$1,180,675.92	\$1,448,884	\$1,416,765	\$-43,963	\$1,372,802	\$1,415,112	\$-44,258	\$1,370,854
General Fund	992,926.84	1,234,721	1,232,602	-43,963	1,188,639	1,230,949	-44,258	1,186,691
State Special Revenue Fund	62,417.00	63,953	63,953	0	63,953	63,953	0	63,953
Federal Special Revenue Fund	125,332.08	150,210	120,210	0	120,210	120,210	0	120,210
Total Funding Costs	\$1,180,675.92	\$1,448,884	\$1,416,765	\$-43,963	\$1,372,802	\$1,415,112	\$-44,258	\$1,370,854

Overview

The Natural Resource and Corporation Tax Division administers 17 different taxes. These include Corporation License Tax, Oil & Gas Severance Tax, Coal Severance Tax, Metal Mines Tax, Local Government Severance Tax, Gross & Net Proceeds Tax, Electrical Energy License Tax, Privilege and License Tax, and the Resource Indemnity Trust Tax. The Division also administers the State and Federal Royalty audit programs related to mineral production from State and Federal lands located in Montana. Taxes administered by the Division generate approximately \$200 million in State revenue and \$50 - \$100 million in County revenue annually.

Goals

- To administer relevant statutes and attendant rules in an efficient and equitable manner;
- To insure the fair and equal treatment of all taxpayers;
- To insure proper compliance and timely payment of all taxes;
- To properly notify all counties of property valuations based on mineral production;

- To insure the State receives the proper amount of royalties attributable to mineral production from State and Federal land in Montana; and
- To calculate and distribute to each eligible county revenue from the Local Government Severance Tax and financial institutions.

Authorization

Title 15, Chapter 23

Centrally assessed property. The division is responsible for the Mines Net Proceeds, the Oil and Gas Net Proceeds, the Coal Gross Proceeds, and the Metal Mines Gross Proceeds.

Title 15, Chapter 31

Corporation License or Income Tax.

Title 15, Chapter 35

Coal Severance Tax.

Title 15, Chapter 36

Oil and Gas Severance Tax and Local Government Severance Tax.

Title 15, Chapter 37

Mining License Tax.

Title 15, Chapter 38
Resource Indemnity Trust Tax.

Title 15, Chapter 51
Electric Energy Producers' License Tax.

Title 15, Chapter 58
Coal Retailer's License Tax.

Title 15, Chapter 59
Cement Taxes.

Title 82, Chapter 11
Privilege and License Tax.

Title 77, Chapter 1 and 3
State Land Royalties on Rock, Mineral, Coal, and Oil and Resources.

30 USC 1735
Grants delegated audit authority to the State for Federal royalties.

Base Program

The Natural Resource and Corporation Tax division is divided into two bureaus: the Corporation Tax Bureau and the Natural Resources Tax Bureau. The two bureaus perform all duties associated with the different taxes they administer. The duties include processing, filing, reviewing and field auditing of returns; assessment and collection of deficiencies; issuing tax certificates and refunds; conducting of informal hearings; participation in litigation; drafting of proposed legislation and rules; and research of tax issues. In addition, the Division has a pooled clerical section which provides clerical services to the two bureaus. The Division is headed by an Administrator. Under base funding, it is the objective of the Administrator to perform policy making, administrative functions, and to manage the Division's workload within current level funding.

Corporation Tax Bureau

The Corporation Tax Bureau is responsible for administering the Corporation License or Corporation Income Tax. Under base funding, the objectives of the Corporation Tax Bureau are:

- o To conduct audits throughout the state and nation generating approximately \$5 million in additional revenue for the State annually;
- o To review all tax returns within 6 months of receipt for general accuracy;
- o To resolve 95% of the cases contested as of June 30, 1990 by the end of the 1992-93 biennium;
- o To distribute corporation license tax received from all financial institutions to the counties in which they are located within 20 days of receipt;
- o To process all requests for the various tax certificates issued by the Division within 5 days of receipt;
- o To process all refunds within 6 weeks or less of receipt;
- o To respond to 100% of taxpayers requests for information within 5 days of receipt;
- o To annually review all forms and instructions for the purpose of simplifying the filing requirements for taxpayers;
- o To identify and aggressively pursue non-filers through both the Division's audit program and the Multistate Tax Commission's audit program; and
- o To maximize the benefits of participation in the Multistate Tax Commission through close monitoring of our participation in the joint audit program to ensure at least a \$5 to \$1 return on our annual membership fees.

Natural Resources Tax Bureau

The Natural Resources Tax Bureau is responsible for administering Centrally Assessed Property taxes on natural resources, Coal Severance Tax, Oil and Gas Severance Tax, Local Government Severance Tax, Mining License Taxes, Resource Indemnity Trust Tax, Electric Energy Producers' License Tax, Coal Retailer's License Tax, Cement Taxes, and the Privilege and License Tax. The Bureau is also responsible for conducting the State and Federal royalty audit programs. Under base funding, the objectives of the Natural Resource Tax Bureau are:

- o To conduct audits throughout the state and nation generating approximately \$8 million in additional revenue for the State and Counties annually;
- o To resolve 95% of the cases contested as of June 30, 1990 by the end of the 1992-93 biennium;
- o To distribute all property valuation notices to the Counties on or before June 15 of each year;
- o To respond to 100% of taxpayers requests for information within 5 days of receipt;
- o To annually review all forms and instructions for the purpose of simplifying the filing requirements for taxpayers;
- o To conduct field audits of all major coal producers during the 1992-93 biennium;
- o To conduct audit activities in manner to insure maximum coverage and to address the most serious compliance problems;
- o To audit all Federal oil and gas leases in our work plan as agreed to with Minerals Management Service for the biennium;
- o To audit all State oil and gas and coal leases in our work plan as agreed to with the Department of State Lands for the biennium; and
- o To calculate and distribute, by November 30 and May 31 of each year, revenue from the Local Government Severance Tax to each eligible county.

Clerical Section

The clerical section is responsible for providing a variety of clerical services to the Division. Under base funding, it is the objective the section to provide word processing services, filing services, mail handling services, telephone reception services, and overall office management for the Division.

Base Funding

The Corporation Tax Bureau and the clerical section are funded entirely by the general fund. The Natural Resource Bureau is funded entirely by the general fund except for the Federal and

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	FY92 Recommended	FY93 Recommended
Corporation Tax Bureau						
Tax Returns Processed	24,550	25,000	25,000	25,000	25,000	25,000
Office Audits Conducted	2,487	3,200	3,200	3,200	3,200	3,200
Field Audits Conducted	30	25	32	32	32	32
Refunds Issued	1,883	2,000	2,100	2,200	2,200	2,200
Refunds To Counties	180	186	188	188	188	188
Certificates Processed	865	865	875	875	875	875
Natural Resource Tax Bureau						
Tax Returns Processed	5,160	5,160	5,260	5,360	5,260	5,360
Office Audits Conducted	376	478	480	480	480	480
Field Audits Conducted	30	25	32	32	32	32
Refunds Issued	95	100	100	100	100	100
County Certifications	1,800	1,930	2,030	2,130	2,030	2,130
County And District Distrib.	N/A	608	608	608	608	608
Clerical Support - Hours						
Word Processing	3,952	3,952	3,952	3,952	3,952	3,952
Filing	3,952	3,952	3,952	3,952	3,952	3,952
Mail Handling and Distrib.	104	104	104	104	104	104
Telephone Reception	520	520	520	520	520	520
Coordination With Sec. of State	624	624	624	624	624	624
Office Management	1,248	1,248	1,248	1,248	1,248	1,248

Increase or Decrease from Base

Item	Explanation	Fiscal 1992	Fiscal 1993
Reorganization/ Reallocation:	Two FTE were vacated in this program due to a reorganization. One FTE was transferred to the Director's Office - Research and Information Section to perform duties involved with an increased workload. The other FTE was eliminated with the department request that \$25,000 from the savings be placed in the travel budget. The travel budget had been understated in the base year (FY91) through a disproportionate allocation to unusable federal funds.	-\$38,346	-\$38,205

Realllocation:

Some minor adjustments were made to the operating expenses to reflect the current pattern of expenditure with a net effect of zero. In the process of making these adjustments four budget amounts were deducted but in error were inadvertently omitted in the department's request. These amounts of \$3,100(FY92) and \$2,670(FY93) in expense code 2241 and \$3,000(FY92) and \$3,000(FY93) in expense code 2245 need to be added in to balance the budget for this program.

\$6,100

\$5,670

NR&CT Statutory Appropriation Activity

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr Recommended	Base	Incr/Decr Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Local Assistance	6,505,043.26	38,754,000	40,054,000	4,000,000	37,904,000	4,000,000
Total Agency Costs	\$6,505,043.26	\$38,754,000	\$40,054,000	\$4,000,000	\$37,904,000	\$4,000,000
State Special Revenue Fund	6,505,043.26	38,754,000	40,054,000	4,000,000	37,904,000	4,000,000
Total Funding Costs	\$6,505,043.26	\$38,754,000	\$40,054,000	\$4,000,000	\$37,904,000	\$4,000,000

Overview

The Natural Resource and Corporation Tax Division administers the distribution of revenue associated with three statutory appropriations to counties. The three are:

- o Financial Institutions - Corporate Tax
- o Local Assistance - Oil and Gas Tax
- o Local Assistance - Metalliferous Mines Tax

These statutory appropriations involve about \$44 million in distributions to counties each fiscal year.

Goals

- o To calculate and statutorily distribute to each eligible county revenue from the Local Government Severance Tax and financial institutions.

Authorization

Title 15, Chapter 31
Corporation License or Income Tax.

Title 15, Chapter 36
Local Government Severance Tax.

Title 15, Chapter 37
Mining License Tax.

Base Program

The Natural Resource and Corporation Tax division is divided into two bureaus: the Corporation Tax Bureau and the Natural Resources Tax Bureau.

Corporation Tax Bureau

The Corporation Tax Bureau is responsible for the distribution of the revenue received from financial institutions to the counties where the financial institution is located. Part 7 of Chapter 31, Title 15 requires the Department to remit to the County Treasurer 80% of the revenue received under the Corporation License Tax. The Bureau is required to distribute this revenue within 30 days after receipt.

Natural Resource Tax Bureau

The Natural Resource Bureau is responsible for the distribution of revenue received from the Oil and Gas Tax and the Metalliferous Mines Tax. Section 15-36-112 requires the distribution of all revenue collected from the Local Government Severance Tax. The Bureau is required to distribute the revenue twice a year, on May 31 and November 30. Section 15-37-117 requires 25% of the metal mines tax collected be distributed to the county in which the mine is located. The Bureau distributes the metal mines tax within 30 days after receipt.

Base Funding

The Corporation Tax Bureau and the Natural Resource Bureau receive no funding for these Statutory Appropriations.

Performance Indicators

Corporation Tax Bureau	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	FY92 Recommended	FY93 Recommended
Refund to Counties	180	186	188	188	188	188
Natural Resource Tax Bureau						
County/District Distribution	N/A	608	608	608	608	608

Increase or Decrease from Base

Item	Explanation	Fiscal 1992	Fiscal 1993
Increased Estimate:	The amount of local assistance is anticipated to increase during the biennium based on the increase from FY89 to FY90.	\$4,000,000	\$4,000,000

Property Valuation Division

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993			
			Base	Incr/Decr Recommended	Base	Incr/Decr Recommended		
Full Time Equivalent Employees	403.66	403.66	403.66	-6.60	397.06	403.66	-6.60	397.06
Personal Services	8,711,068.34	9,522,891	9,813,903	-165,068	9,648,835	9,812,321	-165,045	9,647,276
Operating Expenses	1,618,492.94	1,625,621	1,807,208	157,896	1,965,104	1,824,336	323,582	2,147,918
Equipment	104,692.81	109,656	109,656	0	109,656	109,656	0	109,656
Local Assistance	4,774,506.12	15,910,000	13,000,000	5,500,000	18,500,000	13,500,000	5,000,000	18,500,000
Debt Service	155,883.05	155,884	155,884	112,689	268,573	155,884	112,689	268,573
Total Agency Costs	\$15,364,643.26	\$27,324,052	\$24,886,651	\$5,605,517	\$30,492,168	\$25,402,197	\$5,271,226	\$30,673,423
General Fund	15,364,643.26	27,324,052	24,886,651	5,605,517	30,492,168	25,402,197	5,271,226	30,673,423
Total Funding Costs	\$15,364,643.26	\$27,324,052	\$24,886,651	\$5,605,517	\$30,492,168	\$25,402,197	\$5,271,226	\$30,673,423

Property Valuation

Overview

The Property Assessment Division is responsible for performing tasks necessary to secure a fair, just, and equitable valuation of all taxable property among counties, between different classes of property, and between individual taxpayers.

Activities to accomplish this legislative mandate include:

- o Completing reappraisal of all real property in accordance with the statutory time schedule;
- o Completing annual sales assessment ratio studies for the purpose of more closely approximating the market value of land and improvements;
- o Centrally valuing railroad, public utility, and airline property;
- o Assessing personal property each year;
- o Valuing new construction and land use changes;

- o Auditing property tax reports submitted by property owners to ensure all property is reported;
- o Considering all requests for property tax exemptions and reductions;
- o Defending Department of Revenue in tax appeals before county and state tax appeal boards and the courts; and
- o Conducting schools for assessor and appraiser certification.

The work is performed in 56 counties, in state offices under the direct supervision of an elected assessor (assessment office), an appraisal supervisor (appraisal office), or a county manager (appraisal/assessment office). Five area managers provide mid-level management supervision to the appraisal/assessment offices. Helena based staff appraise all intercounty and industrial property, defend lawsuits, prepare rules, establish assessment and appraisal manuals, schedules and valuation procedures, provide computer support, and audit county appraisal and assessment offices.

Elected Assessors and Deputy Assessor Activity

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr Recommended	Base	Incr/Decr Recommended
Full Time Equivalent Employees	68.60	70.70	68.60	.00	68.60	.00
Personal Services	1,542,015.10	1,639,060	1,749,022	1,762	1,750,784	1,763
Operating Expenses	28,809.73	0	0	0	0	0
Total Agency Costs	\$1,570,824.83	\$1,639,060	\$1,749,022	\$1,762	\$1,750,784	\$1,763
General Fund	1,570,824.83	1,639,060	1,749,022	1,762	1,750,784	1,763
Total Funding Costs	\$1,570,824.83	\$1,639,060	\$1,749,022	\$1,762	\$1,750,784	\$1,763

Goals

- o To accurately assess all taxable personal property in Montana;
 - o 15-10-203, MCA - Certification of taxable value; and
 - o 61-3-207, MCA - Transfer of interest.

Base Program

The County Assessors are elected officials and agents of the Department of Revenue. The Assessor is permitted to appoint a Deputy Assessor. Their salaries are set by law (7-4-2503, MCA).

As an agent of the Department, the Assessor is responsible for the assessment of personal property, the preparation of a tax roll, and certification of taxable values. The Assessor must value all personal property each year between January 1 and the second Monday of July. The taxable value of the personal property is added to the real property value and the Assessor must certify the total taxable value to each taxing authority and submit a statement to the Department by the second Monday in July.

Base Funding

The Assessors and deputies salaries are funded 70 percent by the general fund and 30 percent by county funds.

Authorization

The office of County Assessor is provided for in 7-3-439 and 7-4-2203, MCA. The functions of assessor are found in numerous places in Title 15, MCA including:

- o 15-7-102, MCA - Notification of classification and appraisal;

Performance Indicators

Elected Assessors and Deputy Assessors	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	FY92 Recommended	FY93 Recommended
Report of Taxable Value	56	56	56	56	56	56
Report by Jurisdiction	112	112	112	112	112	112
Certified Mill Levy Reports	974	974	974	974	974	974
Out-of-State Taxpayers	56	56	56	56	56	56
Summary of Commercial Values	56	56	56	56	56	56
Vehicle Summaries	56	56	56	56	56	56
Reports of Monthly Progress	672	672	672	672	672	672
Performance Appraisals	56	56	56	56	56	56

Increase or Decrease from Base

Item	Explanation	Fiscal 1992	Fiscal 1993
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Exempt Positions

This program consists of exempt FTE including elected County Assessors and their appointed Deputies whose salaries are controlled by the counties. The Department pays 70 percent of their salaries. The FY92 and FY93 recommended appropriations are based on projections of FY91 salaries and do not include inflationary increases. For FY89 and 90 no vacancy savings occurred in this activity.

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Appraisers and Other Assessors Staff Activity

	Fiscal 1990		Fiscal 1991		Fiscal 1992		Fiscal 1993	
	Actual	Appropriated	Base	Incr/Decr	Recommended	Base	Incr/Decr	Recommended
Full Time Equivalent Employees	256.06	255.36	256.06	-1.00	255.06	256.06	-1.00	255.06
Personal Services	5,510,149.46	5,909,683	6,031,827	-5,354	6,026,473	6,029,061	-5,341	6,023,720
Operating Expenses	610,042.37	991,629	1,033,431	-349,433	683,998	1,047,860	-359,301	688,559
Equipment	127.50	85,856	85,856	0	85,856	85,856	0	85,856
Total Agency Costs	\$6,120,319.33	\$6,987,168	\$7,151,114	\$-354,787	\$6,796,327	\$7,162,777	\$-364,642	\$6,798,135
General Fund	6,120,319.33	6,987,168	7,151,114	-354,787	6,796,327	7,162,777	-364,642	6,798,135
Total Funding Costs	\$6,120,319.33	\$6,987,168	\$7,151,114	\$-354,787	\$6,796,327	\$7,162,777	\$-364,642	\$6,798,135

Goals

- o To accurately appraise, assess, and equalize all taxable property in Montana;
- o To meet the statutory deadlines for the assessment of all property;
- o To complete the reappraisal of all land and improvements by 1993;
- o To annually conduct sales assessment ratio studies and adjust property values;
- o To notify all property owners of their assessed value;
- o To carefully consider property owners' concerns with the appraisal of their property;

Authorization

When the Montana Constitution was rewritten in 1972, the State of Montana constitutionally assumed the responsibility to "appraise, assess and equalize the valuation of all property which is to be taxed in the manner provided by law." Constitutional guarantees of due process and equal protection as well as federal legislation guaranteeing nondiscriminatory taxation of railroads and airlines, require the state's involvement at this level.

The 1973 Legislature established the various statutory authorities of the Department of Revenue to carry out this constitutional responsibility.

The Department of Revenue's general responsibilities are described to have full charge of assessing all properties subject to taxation and equalization values and shall secure such personnel as is necessary to properly perform its duties (15-8-101, MCA). Since 1973 Montana legislature has increased, decreased and modified the several classes of property subject to property tax. The legislature has also assigned specific responsibilities to the Department. Most of these responsibilities are found in Title 15,

Chapters 6 through 24.

Base Program

The appraisal and assessment staff are responsible for the appraisal of all taxable properties assessed locally. The staff annually assesses personal property and appraises land and improvements until completed in 1993. This activity is responsible for the annual sales assessment ratio study adjustments to values. The activity is ultimately responsible for appraising over 700,000 parcels of real property and most personal property.

The objectives of the Appraisers and Assessor Staff activity are to identify and appraise locally assessed personal property each year, appraise all new construction each year, and complete reappraisal by 1993.

Base Funding

The Appraisers and Assessor Staff activity is funded by the General Fund.

Increase or Decrease from Base

Item	Explanation	Fiscal 1992	Fiscal 1993
Modification Request: Cyclical Reappraisal	The Property Assessment Division is required to reappraise all land and improvements in Montana on a cyclical basis. The third reappraisal cycle began in 1986 and is scheduled to be completed December 31, 1992.	\$22,000	\$249,000
	As the third reappraisal cycle is completed expenses will increase. The appraisal staff will be reviewing final appraisals and reconsidering appraisals disputed by property owners requiring additional travel in FY92 and FY93 to visit the property sites and review appraisals. New assessments are required for all land and improvements. It will also be necessary to process and mail an expected 602,000 assessment forms. Property owners need to be informed about the new appraisals. Since reappraisals occur infrequently, it is important to inform property owners about the new appraisals.		
Reduction: FTE	One FTE was deleted from this program because the position was unused for a significant length of time.	-\$18,825	-\$18,784
Reduction: Operating Exp.	The budget for operating expenses has been reduced by \$105,000 per year due to a lower expenditure pattern than was appropriated by the 1989 Legislature. FY90 operating expenses were about \$140,000 less than the FY91 appropriation on which the executive budget is based.	-\$105,000	-\$105,000
Reallocation:	Some operating expense amounts were transferred to the Property Assessment Activity to reflect a more current pattern of expense with a net effect on the General Fund of zero.	-\$244,433	-\$244,433

Property Assessment Activity

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	-----Fiscal 1992-----		-----Fiscal 1993-----	
			Base	Incr/Decr Recommended	Base	Incr/Decr Recommended
Full Time Equivalent Employees	79.00	77.60	79.00	-5.60	79.00	-5.60
Personal Services	1,658,903.78	1,974,148	2,033,054	-161,476	2,031,977	-161,467
Operating Expenses	979,640.84	633,992	773,777	485,329	776,476	433,883
Equipment	104,565.31	23,800	23,800	0	23,800	0
Debt Service	155,883.05	155,884	155,884	112,689	155,884	112,689
Total Agency Costs	\$2,898,992.98	\$2,787,824	\$2,986,515	\$436,542	\$2,988,137	\$385,105
General Fund	2,898,992.98	2,787,824	2,986,515	436,542	2,988,137	385,105
Total Funding Costs	\$2,898,992.98	\$2,787,824	\$2,986,515	\$436,542	\$2,988,137	\$385,105

Goals

- o To efficiently manage the appraisal, assessment, and equalization all taxable property in Montana;
- o To annually appraise centrally assessed property and apportion values to taxing jurisdictions;
- o To annually centrally appraise all industrial properties;
- o To propose administrative rules;
- o To maintain a trained professional staff;
- o To timely consider applications for property value reductions and exemptions; and
- o To represent the Department in appeal board and court proceedings.

Authorization

The Department of Revenue's general responsibilities are described to have full charge of assessing all properties subject to taxation and equalization values and shall secure such personnel as is necessary to properly perform its duties (15-8-101, MCA). The legislature assigned specific responsibilities to the Department.

Most of these responsibilities are found in Title 15, Chapters 6 through 24, MCA.

Base Program

The Property Assessment activity provides the overall supervision and management of the Property Assessment Division. This includes rule and procedure development, assessment equalization, quality control reviews, budget development and administration, uniform appraisals of industrial properties, central assessment of inter-county properties, technical and legal support for county offices, and operation of the Property Information Management System.

This activity is critical to the effective accomplishment of the statutory requirement that the Department:

"... adjust and equalize the valuation of taxable property among the several counties and different classes of taxable property in any county and in the several counties and between individual taxpayers; supervise and review the acts of agents of the Department; change, increase, or decrease valuations made by its agents; and exercise such authority and do all things necessary to secure a fair, just, and equitable valuation of all taxable property among counties between the different classes of property and between individual taxpayers."

The objective for this activity is to annually meet the above

statutory obligations. If this is to be accomplished, the 403 employees of the Property Assessment Division must receive uniform instructions on valuing property and their work must be reviewed for compliance. Also, the employees must receive the support and tools necessary to effectively accomplish their assignments. The management staff included in this activity are responsible for providing instructions, monitoring the work products, and providing the support and tools to accomplishing the tasks.

Base Funding

The Property Assessment activity is funded by the general fund.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	FY92 Recommended	FY93 Recommended
Industrial Appraisals						
Appraisal	350	350	400		400	
Appraisal Review	200	200	250	900	250	900
M&E Annual Update	1,200	1,250	1,300	1,350	1,300	1,350
Mail Assessment Request	1,500	1,550	1,600	1,600	1,600	1,600
Assessments to Counties	1,550	1,550	1,600	1,600	1,600	1,600
Taxpayer Conferences (Pre)	350	350	400	30	400	30
Taxpayer Conferences (Post)	20	20	20	500	20	500
New Construction	60	60	60	60	60	60
Hours						
Training	580	580	580	580	580	580
Research Industry	675	675	675	675	675	675
Data Processing	520	800	2000	500	2000	500
Inter-County Property Appraisals						
Company Appraisals	100	100	105	105	105	105
Appraisal Reviews	100	100	105	105	105	105
Property Audits	50	50	50	50	50	50
Valuation Apportionments	25,000	25,500	25,000	25,000	25,000	25,000
Leased Right-of-Way	1,400	1,400	1,400	1,400	1,400	1,400
Hours						
Mail Handling	200	200	200	200	200	200
Forms Update	250	250	250	250	250	250
Filing	300	300	300	300	300	300
Rules	50	50	50	50	50	50
Assistance to Counties	800	800	800	800	800	800
Training	50	50	50	50	50	50

Appraisal and Assessment Administration

Valuation Appeals

County Tax Appeal Board
State Tax Appeal Board
Exemptions

Computer Assisted Mass Appraisal

Edits

Cost Reports
Posting
Reports

Hours

Help Desk
Contract Administration
Training

Personnel and Support Services

Personal Action Report

Employee Selections
County Contracts
Classification Reviews
Performance Appraisals
Training Records

Quality Control Reviews

Appraisal Office Reviews
Assessment Office Reviews
Special Project Reviews

FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	FY92 Recommended	FY93 Recommended
4,610	4,610	4,610	13,000	4,610	13,000
1,520	1,520	1,520	4,000	1,520	4,000
410	410	410	460	410	460
672	336	504	672	504	672
336	168	336	56	336	56
112	56	56	56	56	56
715	3,000	3,000	3,000	3,000	3,000
2,080	2,080	2,080	2,080	2,080	2,080
80	80	80	80	80	80
480	400	400	400	400	400
1,220	1,220	1,220	1,220	1,220	1,220
95	95	95	95	95	95
18	18	18	18	18	18
25	25	25	25	25	25
335	335	335	335	335	335
450	450	450	450	450	450
1	4	3	6	6	6
1	4	3	6	6	6
4	8	10	4	4	4

Increase or Decrease from Base

Item	Explanation	Fiscal 1992	Fiscal 1993
Modification Request:			
CAMAS-Additional			
Costs	To improve the appraisals and reduce the time required to complete property reappraisals, the department, with support from the legislature, contracted with an national appraisal firm for the development of a computer assisted mass appraisal system (CAMAS). The system was developed and implemented during 1989 and 1990.	\$358,281	\$301,281

The use of a computer assisted mass appraisal system is a significant departure from the previously used manual valuation of property. The new system features not only the cost approach, but also market and income approaches to determine value. In addition, the system provides extensive reporting capability, audit trails, sales ratio calculation, and other features only available through computerization of the appraisal process.

CAMAS requires more processing and data storage capacity than is currently available on the Division's mid-range computer. Therefore the computer must be upgraded. Also, the Department has been unable to maintain the system software because qualified computer programmers can't be recruited. Because of this an ongoing contract will be required for system support FY92 and FY93. Additional funds will also be required for maintenance contracts and network fees in the next biennium. The Department will minimize the annualized costs by financing the computer upgrade through FY96. The Division will also absorb some of the costs in its current budget.

Reorganization: 5.60 FTE were transferred from this activity due to a minor reorganization. 3.00 FTE were legal or legal-related staff that were transferred to the Legal Office in the Director's Office and 2.60 FTE were data processing staff that were transferred to the Data Processing Division. -\$161,476 -\$161,467

Reallocation: Some operating expenses were transferred from the "Appraisers and Other Assessors Staff" Activity to reflect a current pattern of expenditure with a net effect on the General Fund of zero. \$244,433 \$244,433

Local Assistance Activity - Property Tax

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Local Assistance						
Total Agency Costs	4,774,506.12	15,910,000	13,000,000	5,500,000	13,500,000	5,000,000
	\$4,774,506.12	\$15,910,000	\$13,000,000	\$5,500,000	\$13,500,000	\$5,000,000
General Fund						
Total Funding Costs	4,774,506.12	15,910,000	13,000,000	5,500,000	13,500,000	5,000,000
	\$4,774,506.12	\$15,910,000	\$13,000,000	\$5,500,000	\$13,500,000	\$5,000,000

Goals

To implement the legislative mandate of personal property tax reimbursement due to reductions in personal property tax rates.

Authorization

The Department's duties are responsibilities are outlined in 15-1-111, MCA.

Base Program

The department has the responsibility to remit to the county treasurer any revenue because of the reductions in tax rates on personal property. This reimbursement of revenue is due to the reduction in personal property tax rates for class eight property, (15-6-138, MCA). Also the Department will remit any revenue because of reduction in taxes based upon recalculation of the effective tax rate for all railroad transportation property (15-6-145, MCA) and all airline transportation property (15-6-147, MCA). The reimbursement must also include loss of personal property tax revenue due to the reclassification of new industrial property from class five to class eight with the reduced tax rate. The department calculates these reimbursements for each taxing jurisdiction based on the current year mill levies.

Base Funding

This task is funded by the general fund.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base	FY92 Recommended	FY93 Recommended
Property Valuation - Local Assistance						
Estimated Distributions	\$4,800,000	\$18,300,000	\$18,500,000	\$18,500,000	\$18,500,000	\$18,500,000

Increase or Decrease from Base

Item	Explanation	Fiscal 1992	Fiscal 1993
Estimated Increase:	This distribution was established in FY90 and accurate data was not available on which to calculate the actual assistance amount. Distributions in FY91 indicate the amount was higher than initially appropriated in FY91.	\$5,500,000	\$5,000,000

Motor Fuels Tax Program

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	24.00	24.00	.00	.00	.00	.00
Personal Services	462,513.92	543,434	0	0	0	0
Operating Expenses	140,310.07	145,645	0	0	0	0
Equipment	7,438.13	0	0	0	0	0
Total Agency Costs	\$610,262.12	\$689,079	\$0	\$0	\$0	\$0
State Special Revenue Fund	610,262.12	689,079	0	0	0	0
Total Funding Costs	\$610,262.12	\$689,079	\$0	\$0	\$0	\$0

This program is being proposed as part of the Department of Transportation.

DEPARTMENT OF ADMINISTRATION

DEPARTMENT OF ADMINISTRATION - NARRATIVE BUDGET JUSTIFICATION

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DEPARTMENT OF ADMINISTRATION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	341.59	335.09	339.59	-16.70	322.89	343.59	-16.70	326.89
Personal Services	8,699,708.21	10,034,105	10,157,699	-332,667	9,825,032	10,238,941	-332,847	9,906,094
Operating Expenses	21,698,385.96	22,273,193	23,700,564	2,835,281	26,535,845	24,060,041	3,215,115	27,275,156
Equipment	1,281,027.29	855,879	840,879	1,259,297	2,100,176	840,879	1,165,592	2,006,471
Capital Outlay	29,262.03	0	0	0	0	0	0	0
Local Assistance	942,525.53	1,007,677	768,908	0	768,908	824,573	0	824,573
Benefits and Claims	26,041,611.07	35,154,431	39,000,000	200,000	39,200,000	46,200,000	200,000	46,400,000
Transfers	15,627,077.68	17,001,155	15,177,612	80,810	15,258,422	15,897,480	86,676	15,984,156
Debt Service	3,555,408.83	4,555,493	4,555,494	-19,846	4,535,648	4,555,494	-566,496	3,988,998
Total Agency Costs	\$77,875,006.60	\$90,881,933	\$94,201,156	\$4,022,875	\$98,224,031	\$102,617,408	\$3,768,040	\$106,385,448
General Fund	14,792,950.05	16,741,348	15,976,500	9,676	15,986,176	16,679,468	9,405	16,688,873
State Special Revenue Fund	2,293,059.84	2,685,978	2,690,837	92,336	2,783,173	2,709,481	98,208	2,807,689
Capital Projects Fund	2,148,973.01	2,129,926	2,150,096	80,810	2,233,906	2,155,615	86,676	2,242,291
Proprietary Fund	58,640,023.70	69,324,681	73,383,723	3,840,053	77,223,776	81,072,844	3,573,751	84,646,595
Total Funding Costs	\$77,875,006.60	\$90,881,933	\$94,201,156	\$4,022,875	\$98,224,031	\$102,617,408	\$3,768,040	\$106,385,448
Director's Office	228,937.10	339,442	300,773	2,143	302,916	300,738	-937	299,801
Accounting & Management Support	14,821,934.91	16,269,460	15,533,403	18,562	15,551,965	16,240,568	14,433	16,255,001
Architecture & Engineering	1,027,645.83	1,172,864	1,181,064	163,146	1,344,210	1,192,096	174,884	1,366,980
Procurement & Printing Div.	8,822,536.92	10,136,067	9,761,705	641,391	10,403,096	10,036,293	672,371	10,708,664
Information Services	16,635,350.11	17,657,567	18,086,480	2,277,360	20,363,840	18,163,544	1,933,693	20,097,237
General Services	3,445,603.94	3,813,277	3,748,236	40,263	3,788,499	3,734,242	151,129	3,885,371
Mail & Distribution Bureau	1,306,243.83	1,396,046	1,635,508	14,305	1,649,813	1,638,903	15,196	1,654,099
State Personnel	26,757,886.76	33,598,469	38,506,947	-133,339	38,373,608	45,807,943	-191,211	45,616,732
Tort Claims	4,516,187.00	6,062,815	4,992,168	1,011,182	6,003,350	5,048,451	1,010,825	6,059,276
State Tax Appeal Board	312,680.20	435,926	454,872	-12,138	442,734	454,630	-12,343	442,287
Total Program Costs	\$77,875,006.60	\$90,881,933	\$94,201,156	\$4,022,875	\$98,224,031	\$102,617,408	\$3,768,040	\$106,385,448

MISSION AND GENERAL DESCRIPTION:

The Department of Administration was created to centrally provide various service and control

functions for other state agencies.

Central service provision (such as legal, architectural, building maintenance,

DEPARTMENT OF ADMINISTRATION

printing and purchasing, computer and telecommunications, and mail services) is frequently cost effective. There is generally an economic rationale underlying the department's service functions. The department has some control and monitoring functions over other state agencies. These functions insure that the public and employees view state government as a "single business." For example, the department classifies all state jobs to insure equal pay between employees doing similar work. We have approval authority over office leases, purchase of computer and telecommunications equipment and printing and records management equipment. This authority insures that the state consistently takes advantage of new communications technology in a coordinated interagency manner. We operate the Statewide Budgeting and Accounting System to insure consistent financial record keeping among all state agencies.

AGENCY ORGANIZATION:

The programs and functions of the Department of Administration are carried out through the following major organizational components:

Director's Office - This Office includes the Director, Deputy Director, secretarial and administrative support staff, and the Legal Unit. The responsibilities of this Office include supervising and coordinating the activities of the Department's eight divisions and three administratively attached boards and agencies and providing legal services within the department.

Accounting and Management Support Division - This Division is organized into the Accounting and Management Support Bureaus and the Personnel Unit. The Accounting Bureau is responsible for maintaining the Statewide Budgeting and Accounting System, establishing state accounting policies and procedures, and preparing the state's Comprehensive Annual Financial Report. The Management Support Bureau provides accounting, budgeting and data processing support for the Department of Administration, and is responsible for administering the State treasury function. The Personnel Unit provides support for the department in the personnel and payroll administration areas.

Architecture and Engineering Division - This Division is responsible for overseeing the construction of state buildings. This includes the architect/engineer interview selection process; programming both new and remodel projects; administering and coordinating plan reviews; administering contracts with architects, engineers and contractors; advertising, bidding and awarding construction contracts; dispersing building construction payments; and providing design services for small projects.

General Services Division - This Division provides repair, maintenance, security and custodial services for buildings in the capitol complex. The Division also manages contracts providing additional services for the complex, including mechanical maintenance, pest control, elevator repair, and garbage collection. In addition, the Division is responsible for provid-

ing mail service in the capitol complex.

Information Services Division - This Division provides the following services to all state agencies: central mainframe computer processing; shared statewide data communications network services; local and long distance telephone networking; design and development of telephone equipment; networking applications and other telecommunications needs; design, development and continuous maintenance support of data processing applications; data processing training and application development support; microcomputer and office automation support and consultation; record storage and microfilming services; radio frequency coordination liaison with local government; management of the statewide 911 emergency telephone number program; data processing planning, coordination and control of equipment and software acquisitions; disaster recovery facilities for critical data processing applications.

Personnel Division - This Division administers State personnel laws. In this regard the Division provides State agencies with a comprehensive program of personnel administration including: position classification, collective bargaining and labor relations, group benefits plans, compensation plan and rules, deferred compensation, training, employee incentive awards, sick leave fund, equal employment and affirmative action, and health promotion. The Division also publishes state rules and policies dealing with recruitment, selection, discipline, grievance, performance appraisal, leave, affirma-

tive action and other personnel related matters.

Procurement and Printing Division - This Division is responsible for the following functions: administering the state procurement and surplus property statutes; coordinating the procurement of printing services by State agencies either by directly providing the desired service or contracting with private printers; and purchasing and distributing commonly used supplies for all State agencies.

Public Employees Retirement Division - This Division administers eight retirement systems for its members and their beneficiaries. The Division is also responsible for administering Section 218 of the Social Security Act which extends social security coverage to specific groups of state and local government employees in Montana.

Tort Claims Division - This Division has two primary responsibilities that include: providing for the investigation, defense, and payment of bodily injury and property damage claims incurred by the State of Montana; and assessing the fire, casualty, bond, and liability risks of the State for all state-owned property, and providing either commercial or self-insurance protection for the financial loss of such property.

Attached to Agencies and Boards - The Public Employees' and the Teachers' Retirement Boards, the State Tax Appeals Board and the State Compensation Mutual Insurance Fund are administratively attached to the Department of Administration.

DIRECTOR'S OFFICE

61010100.000

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	7.00	8.00	7.00	.00	7.00	7.00	.00	7.00
Personal Services	200,393.46	308,206	272,303	633	272,936	271,791	632	272,423
Operating Expenses	27,751.39	31,236	28,470	-1,350	27,120	28,947	-1,569	27,378
Equipment	792.25	0	0	2,860	2,860	0	0	0
Total Agency Costs	\$228,937.10	\$339,442	\$300,773	\$2,143	\$302,916	\$300,738	\$-937	\$299,801
General Fund	177,719.71	276,234	237,557	1,500	239,057	237,636	-937	236,699
Proprietary Fund	51,217.39	63,208	63,216	643	63,859	63,102	0	63,102
Total Funding Costs	\$228,937.10	\$339,442	\$300,773	\$2,143	\$302,916	\$300,738	\$-937	\$299,801

OVERVIEW

The staff of the Director's Office are responsible for overall supervision and coordination of the Department's eight Divisions and the three administratively attached boards and agencies. The staff also provide legal services, internal management reviews, and assistance in special projects to the Divisions and bonding expertise for the Board of Examiners.

GOALS

The Director's Office goals are as follows:

-To provide overall policy direction to the department's eight divisions and three "attached to" divisions in a manner consistent with state law and the Governor's priorities.

-To provide the support services necessary to enable the department to most effectively deliver services to the department clients.

AUTHORIZATION

Section 2-15-1001,MCA The Department of Administration was established under the Executive Reorganization Act of 1971. The department head is appointed by the Governor in accordance with Section 2-15-111, MCA.

Section 2-15-1002, MCA The Director of the Department of Administration shall serve as the ex officio state treasurer.

DEPARTMENT OF ADMINISTRATION

DIRECTOR'S OFFICE

BASE PROGRAM

The Director's Office performs policy making and administrative functions for the Department. Under base funding, the Director's Office attempts to manage the department's workload within current level funding. The Legal Unit, located in the Director's Office, provides legal consultation, opinions and assistance to requesting divisions.

BASE FUNDING

The Director's Office is funded by the General Fund and the Legal Services Internal Service Fund. Funding through the Legal Services Internal Service Fund is derived from charging the Department's non-general fund divisions for services provided by the Legal Unit. The funding level from this internal service fund is based upon the assumption that the Legal Unit will devote 1.5 of their 2 FTE on legal matters of these non-general fund divisions.

PERFORMANCE INDICATORS

Performance indicators are not quantifiable for this program.

INCREASE OR DECREASE FROM BASE

A) The only change from base in the personal services budget was \$633 in FY92 and \$632 in FY93 in increased costs for benefits.

B) Fixed costs in insurance and the data network

accounted for the decrease in the operating expense budget of \$1,350 in FY92 and \$1,569 in FY93. The original base budget was adjusted downward for insurance and bonds, and this increased cost was passed on to Architecture and Engineering Division who had a substantial liability loss.

C) Equipment cost increased from zero to \$2,860 in FY92 to cover needed upgrades to software for existing personal computers.

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	24.50	25.00	24.50	-.25	24.25	24.50	-.25	24.25
Personal Services	598,069.21	755,418	717,107	-4,381	712,726	716,162	-4,374	711,788
Operating Expenses	404,497.77	382,432	377,380	10,416	387,796	371,633	10,675	382,308
Equipment	7,029.72	0	0	12,527	12,527	0	8,132	8,132
Transfers	13,812,338.21	15,131,610	14,438,915	0	14,438,915	15,152,772	0	15,152,772
Debt Service	0.00	0	1	0	1	1	0	1
Total Agency Costs	\$14,821,934.91	\$16,269,460	\$15,533,403	\$18,562	\$15,551,965	\$16,240,568	\$14,433	\$16,255,001
General Fund	12,805,779.15	14,247,764	13,509,430	18,850	13,528,280	14,209,669	14,799	14,224,468
State Special Revenue Fund	397,091.27	488,937	493,559	0	493,559	500,533	0	500,533
Capital Projects Fund	1,590,204.08	1,500,000	1,500,000	0	1,500,000	1,500,000	0	1,500,000
Proprietary Fund	28,860.41	32,759	30,414	-288	30,126	30,366	-366	30,000
Total Funding Costs	\$14,821,934.91	\$16,269,460	\$15,533,403	\$18,562	\$15,551,965	\$16,240,568	\$14,433	\$16,255,001

OVERVIEW

The Accounting and Management Support Division is organized into the Accounting and Management Support Bureaus and the Personnel Unit. The Accounting Bureau is responsible for maintaining the Statewide Budgeting and Accounting System, establishing state accounting policies and procedures, and preparing the state's Comprehensive Annual Financial Report. The Management Support Bureau provides accounting, budgeting and data processing support for the Department of Administration, and is responsible for administering the State treasury function. The Personnel Unit provides support for the department in the personnel and payroll administration areas.

responsible for preparing the State's annual financial report.

BASE PROGRAM

The Accounting Bureau will conduct the following activities under the base level funding:

- Maintain the Statewide Budgeting and Accounting System (SBAS); including processing approximately 4 million transactions per year.
- Conduct a minimum of 3 SBAS/Accounting related training courses per year.
- Prepare the State's Comprehensive Annual Financial Report by December 31 of each year.
- Update State accounting policies and procedures to conform with generally accepted accounting principles.
- Coordinate the preparation, negotiation and distribution of the Statewide Cost Allocation Plan (SWCAP) annually.

BASE FUNDING

The Accounting Bureau is funded 100% from the General Fund.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Transactions	4,349,000	4,000,000	4,566,000	4,794,000
Training Courses	4	4	4	4
SWCAP	1	1	1	1

INCREASE OR DECREASE FROM BASE

A) Personal services increased \$723 in FY92 and \$718 in FY93 due to added costs for benefits.

B) Operating costs increased \$16,350 in FY92 and \$16,900 in FY93 for computer processing. This increase will address the costs of an ever increasing number of accounting transactions processed through the Statewide Budgeting and Accounting System. The number of transactions processed increased from 3.3 million in FY86 to 4.3 million in FY90, for an average 5% rate of increase. Insurance & Bonds was reduced from the base by \$2,423 in FY92 and \$2,540 in FY93 because some of the cost was allocated to Architecture and Engineering Division who had a substantial liability loss.

C) The equipment budget of \$6,092 in FY92 and \$4,339 in FY92 will purchase Lotus, WordPerfect and DOS software upgrades; and replacements for 2 personal computers and a microfiche reader.

MANAGEMENT SUPPORT/PERSONNEL PROGRAM

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993		Recommended	Base	Incr/Decr	Recommended	Base	Incr/Decr	Recommended
			14.50	14.00	14.50	- .25	14.25	14.50	- .25	14.25	14.50	- .25	14.25
Personal Services	338,996.76	409,515			402,866	-5,104	397,762	402,331	-5,092				397,239
Operating Expenses	55,338.42	62,221			62,153	-3,511	58,642	62,645	-3,685				58,960
Equipment	6,257.15	0			0	6,435	6,435	0	3,793				3,793
Transfers	13,812,338.21	15,131,610			14,438,915	0	14,438,915	15,152,772	0				15,152,772
Debt Service	0.00	0			1	0	1	1	0				1
Total Agency Costs	\$14,212,930.54	\$15,603,346			\$14,903,935	\$-2,180	\$14,901,755	\$15,617,749	\$-4,984				\$15,612,765
General Fund	12,196,774.78	13,581,650			12,879,962	-1,892	12,878,070	13,586,850	-4,618				13,582,232
State Special Revenue Fund	397,091.27	488,937			493,559	0	493,559	500,533	0				500,533
Capital Projects Fund	1,590,204.08	1,500,000			1,500,000	0	1,500,000	1,500,000	0				1,500,000
Proprietary Fund	28,860.41	32,759			30,414	-288	30,126	30,366	-366				30,000
Total Funding Costs	\$14,212,930.54	\$15,603,346			\$14,903,935	\$-2,180	\$14,901,755	\$15,617,749	\$-4,984				\$15,612,765

GOALS

The primary goals of the Management Support Bureau are as follows:

- Provide accurate and timely accounting, payroll processing and budgeting support for the Department of Administration.
- Provide personnel policy and administration support for the Department of Administration.
- Coordinate and support the Department's office automation efforts.
- Maintain an efficient and cost effective state treasury system.

-Administer the State's general obligation bond payment process.

AUTHORIZATION

Section 17-1-111, MCA The state treasurer is the custodian of all moneys and securities of the state unless otherwise expressly provided by law.

Section 17-7-112, MCA It is the duty of each department to submit the budget information

required by Section 17-7-111, MCA, to the Budget Director on or before September 1 in the even year preceding the convening of the legislature.

BASE PROGRAM

The Management Support Bureau will perform the following activities within the base level funding:

-The Personnel Officer will participate annually in a minimum of one interview involving each division.

-The Personnel Unit will revise the Affirmative Action Plan biennially, and prepare semi-annual progress reports.

-The Personnel Unit will process classification requests and job announcements accurately and on a timely basis.

-The Personnel Unit will provide personnel policy direction and guidance to the Department's divisions, and participate in actions involving personnel issues.

-The Treasury Unit will maintain an efficient and cost effective State depository system.

-The Management Support Bureau will provide

accurate accounting and payroll processing support for the Department.

-The Management Support Bureau will coordinate the Department's biennial budget request preparation, and the annual budget allocation.

-The Data Processing Coordination Unit will support the Department's local area networks, and provide guidance with regards to future office automation efforts.

BASE FUNDING

The Management Support Bureau is funded by the General Fund and the Investment Division Internal Service Fund (Dept. of Commerce). The funding from the Investment Division Internal Service Fund supports one position in the Treasury Unit, and associated operating costs.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
TREASURY UNIT				
Bank Statement				
Reconciliation Hours	3,370	3,370	3,370	3,370
Deposit Prep. Hours	1,539	1,539	1,539	1,539
DATA PROCESSING UNIT				
Number of Users Served	140	140	140	140
Trouble Calls Handled	700	700	700	700
MANAGEMENT SUPPORT UNIT				
SBAS documents received and processed	4,700	4,700	4,700	4,700
Vacancy Announcements prepared	90	90	90	90
Budget Analysis Reports prepared	54	54	54	54

STATUTORY APPROPRIATIONS

BONDS & TANS is a statutory appropriation that is authorized by Section 17-5-802(2), MCA that states, "All principal and interest, becoming due during a fiscal year must be included in the state budget for such year, and sufficient revenue must be appropriated for payment thereof from the general fund....".

HB100 of the 1989 Legislature states that funds remaining in the capitol land grant account of the capitol projects fund are appropriated for the payment of principal and interest on bonds issued for public buildings at the capitol. The appropriations is used to transfer funds from the capitol land grant fund to the debt service account.

The Board of Examiners may issue notes in anticipation of the receipt of taxes or revenue (17-1-201 and 17-1-204, MCA). The notes may be issued at any time during the year but are paid off by the end of the fiscal year. By statute the Department of Administration - "may pay all costs of issuance...and other amounts related to the costs of issuing notes. Payment of costs must be made from amounts available therefore from the proceeds of the notes upon deposit in the general fund."

INCREASE OR DECREASE FROM BASE

A) A transfer of .25 FTE to the Central Mail Program will result in savings of \$5,104 in FY92 and \$5,092 in FY93 in personal services.

B) Insurance & Bonds was reduced from the base by \$3,511 in FY92 and \$3,685 in FY93 because some of the cost was allocated to Architecture and Engineering Division who had a substantial liability loss.

C) The equipment budget of \$6,435 in FY92 and \$3,793 in FY93 includes the purchase of 2 personal computers to replace out-dated ones purchased in 1985 and 1986, and LOTUS, WordPerfect and DOS upgrades.

ARCHITECTURE AND ENGINEERING DIVISION

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	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	15.25	15.25	15.25	-.25	15.00	15.25	-.25	15.00
Personal Services	423,570.24	493,256	476,264	-3,156	473,108	476,519	-3,148	473,371
Operating Expenses	100,576.64	105,984	111,005	85,492	196,497	116,263	91,356	207,619
Equipment	3,498.95	2,500	2,500	0	2,500	2,500	0	2,500
Transfers	500,000.00	571,124	591,295	80,810	672,105	596,814	86,676	683,490
Total Agency Costs	\$1,027,645.83	\$1,172,864	\$1,181,064	\$163,146	\$1,344,210	\$1,192,096	\$174,884	\$1,366,980
State Special Revenue Fund	527,645.83	601,739	589,769	82,336	672,105	595,282	88,208	683,490
Capital Projects Fund	500,000.00	571,125	591,295	80,810	672,105	596,814	86,676	683,490
Total Funding Costs	\$1,027,645.83	\$1,172,864	\$1,181,064	\$163,146	\$1,344,210	\$1,192,096	\$174,884	\$1,366,980

OVERVIEW

The Architecture & Engineering Program was established in 1965 to provide construction administration for the State's Long Range Building Program. This includes buildings constructed with state, federal, or private moneys at university campuses, state institutions, or any other location for a state agency. The program is responsible for the management, accounting, and coordination of the construction of State buildings.

GOALS

- To present a single, comprehensive and prioritized plan for allocating the state's resources for the purpose of capital construction and major maintenance of state owned facilities.
- To provide plan and specification reviews and advertise, bid and award construction contracts within applicable state statutes.
- To administer contracts with architects, engineers and contractors, approve pay requests, and review/approve change orders.

◦ To provide planning services to all state agencies for the Long Range Building Program and to prepare the LRBP in time for submission to the legislature.

◦ To provide architectural services for state agencies on projects under \$25,000 and on repair and maintenance projects without limit.

◦ To conduct the architect/engineer interview selection process on all new and remodel projects over \$25,000 and on any other projects as necessary.

◦ To provide plan and specification reviews and advertise, bid and award construction contracts within applicable state statutes.

◦ To administer contracts with architects, engineers and contractors, approve pay requests, and review/approve change orders.

AUTHORIZATION

2-2-401 through
22-2-408, MCA

ART FOR STATE BUILDINGS

A portion of the funds appropriated for construction or renovation of state buildings will be allocated for the acquisition of works of art for such buildings.

17-7-201 through
17-7-204, MCA

LONG-RANGE BUILDING PROGRAM AND BUDGET

Before July 1 of each even-numbered year, each state agency and institution shall submit to the Department of Administration a proposed long-range building program.

18-1-201 through
18-1-206, MCA

BID SECURITY

As evidence of good faith on the part of the bidder against the failure or refusal of any bidder, bid security shall be required.

18-2-101 through
18-2-122, MCA

GENERAL PROVISIONS

These parts define building costs, construction, authority to construct buildings, supervision of construction, policy regarding practice of architecture and other general requirements for Architects and Engineers hired for State projects.

18-2-201 through
18-2-208, MCA

PERFORMANCE, LABOR, AND MATERIALS BONDS

Defines the requirements for bonds on construction contracts.

18-2-301 through
18-2-315, MCA

CONTRACT REQUIREMENTS AND RESTRICTIONS

Defines the advertising, bid security, and types of contracts allowed for State projects.

18-8-201 through
18-8-212, MCA

ARCHITECTURAL, ENGINEERING, AND LAND SURVEYING SERVICES

Defines the procedure for selection and contract negotiation of contracts for services for State work.

BASE PROGRAM

The function of the Architecture & Engineering Program is to administer the construction, alteration, repair and improvement of State buildings that are both functional and affordable. The staff is responsible for: programming both new and remodel projects; the architect/engineer interview selection process; administering and coordinating plan reviews; administering advertising, bidding, and awarding construction contracts; dispersing building construction payments; and providing design services for small projects. The division also prepares the Long Range Building Program for presentation to the legislature. Under base funding it is the objective of the program to administer all projects authorized in the LRBP (House Bill #777, last session) as well as projects authorized by the legislature in

previous biennia, by the Board of Regents under their authority, or set up by administrative appropriations. Currently, this involves approximately 360 active projects throughout the state ranging from a new Low Security Housing Unit at Montana State Prison to the improvement of various fishing access sites for the Department of Fish, Wildlife & Parks. Many of the projects involve life safety improvements or major maintenance of existing facilities.

To accomplish the stated goals the program is organized into three activities which generally coincide with the flow of projects through the office: planning, design/construction, and support services. The objective of planning is to provide preplanning, feasibility studies, and cost estimates for potential state projects. The LRBP requests to the last legislature totalled over \$189,000,000. Planning provided the expertise to prioritize these requests into an affordable program of \$24,600,000. The programming for the Eastern Montana Veterans' Home is another typical example of the function provided by this activity. Design/construction's objective is to secure contracts with consultants for all appropriate authorized projects and to award construction contracts for all state building projects. This includes the administration of these contracts in addition to the preparation of plans and specifications for some projects under \$25,000 and on repair and maintenance projects. In recent years, serving as the State's representative in arbitration claims has become a major factor for this activity as well. The objective of the support services is to provide the

processing of all pay requests for consultants and contractors and to provide the clerical support for all office work products. All LRBP funds (\$146,000,000) are managed by this activity.

In both the 1981-83 biennium and the 1983-85 biennium, almost \$65 million dollars was appropriated in the LRBP for projects administered by the program. In the 1989 Legislative Session, that figure dropped to approximately \$26 million dollars. However, the number of projects the program is responsible for has actually grown in this period. This has happened because we are currently administering fewer projects involving major new facilities and more projects involving improvements and/or major maintenance. In addition, the Board of Regents has authorized more projects in recent years that require administration by the program.

BASE FUNDING

The entire Architecture & Engineering Division is funded by the State Special Revenue Account and the Capitol Projects Fund.

Actual revenue sources include the cigarette tax, short term investments on bond earnings and supervisory fees.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Total Funds Administered	\$146,000,000	\$135,000,000	\$160,000,000	\$150,000,000
Total Expenditures	13,200,000	12,000,000	20,000,000	20,000,000
A/E Appointments	41	22	48	22
Consultant Contracts	56	30	60	30
Construction Contracts	240	200	250	200
In-House Projects (construction documents)	75	75	75	75
Active Projects	362	325	475	400
Claims Processed	1,700	1,900	1,900	1,600
Board of Examiners Meetings	8	6	8	8

PERFORMANCE INDICATORS

To some extent the program objectives for Architecture & Engineering are determined in a quantifiable manner through the LRBP authorized by the Legislature each session. It is a biennial program which has varied from over \$65,000,000 to \$17,000,000 in recent years. However, as noted earlier the size of projects has also varied with the end result being that more projects are being administered than in prior years. (360+ currently versus approximately 235 in prior years). This is also due in part to the projects driven by other agencies, such as the Board of Regents or those set up by administrative appropriations.

While some of the FY activities clearly reflect the biennial nature of the LRBP, others do not, as shown in the following work summary.

INCREASE OR DECREASE FROM BASE

Standardized inflation factors accounted for a \$4 increase in FY92 budget and \$48 in the FY93 budget.

A) A decrease of .25 FTE in this program created a savings in personal services of \$3,156 in FY92 and \$3,148 in FY93.

B) Other services constitutes the major portion

of the increase in operations. Increased insurance costs of \$78,447 in FY92 and \$83,295 in FY93 is due to the settlement of a claim against the State. An additional \$1,658 in each fiscal year is needed to meet the current cost for the use of SBAS On Line. Inflationary costs for printing of the Long Range Building Program Book increased the FY93 budget by \$1,000. Miscellaneous other services increased \$495 in FY92 and \$435 in FY93 to fund such items as microfilm services, data network services and janitorial services. Other services increases include: \$1,658 in FY92 and \$1,636 in FY93 to fund data processing supplies needed to support a new computer network and \$3,800 in FY92 and \$3,134 in FY93 for maintenance contracts on the new computers. Finally, \$150 was added each fiscal year to dues for membership in the Great Plains Association of State Architects Engineers and Administrators.

C) There were no additional increases from base in the equipment budget.

PROCUREMENT AND PRINTING DIVISION

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	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	59.50	63.50	59.50	-1.00	58.50	63.50	-1.00	62.50
Personal Services	1,250,120.10	1,597,291	1,527,859	-26,721	1,501,138	1,608,941	-26,497	1,582,444
Operating Expenses	7,395,508.56	8,300,703	8,010,773	652,426	8,663,199	8,204,279	718,817	8,923,096
Equipment	123,313.96	91,699	76,699	35,532	112,231	76,699	-103	76,596
Capital Outlay	25,962.30	0	0	0	0	0	0	0
Debt Service	27,632.00	146,374	146,374	-19,846	126,528	146,374	-19,846	126,528
Total Agency Costs	\$8,822,536.92	\$10,136,067	\$9,761,705	\$641,391	\$10,403,096	\$10,036,293	\$672,371	\$10,708,664
General Fund	381,428.87	435,967	436,448	-2,151	434,297	437,349	-2,435	434,914
Proprietary Fund	8,441,108.05	9,700,100	9,325,257	643,542	9,968,799	9,598,944	674,806	10,273,750
Total Funding Costs	\$8,822,536.92	\$10,136,067	\$9,761,705	\$641,391	\$10,403,096	\$10,036,293	\$672,371	\$10,708,664

OVERVIEW

The Procurement and Printing Division consists of three bureaus.

The Publications and Graphics Bureau provides services in printing, duplicating, typesetting, layout and design, graphic and illustrative art, forms design, photo reprographics, binding and quick copy. The Bureau is responsible for all printing and printing related purchasing for state government and offers printing coordination and specification writing to user agencies. The Bureau also manages the State's photocopier pool.

The Property and Supply Bureau is a proprietary funded Bureau comprised of three activities: central stores, state surplus property and federal surplus property. The central stores activity administers, orders, buys, determines

specifications, works with user group committees, stocks, inventories and markets normally required, supply commodities for all state agencies, institutions, and universities. The federal surplus property activity administers, stocks, inventories and markets federal surplus property to all state agencies, institutions, universities, cities, counties, school districts and qualified non-profit organizations. The state surplus property activity administers, stocks, inventories, buys and markets state surplus property for all state agencies, institutions, universities, cities, counties, school districts and qualified non-profit organizations. The Bureau also markets surplus property to the public.

The Purchasing Bureau provides a centralized purchasing service for executive, judicial and legislative branch state agencies as required by Title 18, Chapter 4, MCA. By concentrating purchases in a central entity, state government can achieve standardization of specifications, eliminate duplication of effort between state agencies, and receive lower costs as a result of volume buying. The Purchasing Bureau investigates possible sources for products, determines alternate product possibilities, prepares specifications, and enforces the terms and conditions outlined in purchase orders issued. The Bureau ensures compliance with purchasing law and rule for agencies with delegated purchasing authority and provides technical assistance with their purchases.

PUBLICATIONS AND GRAPHICS PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	26.83	30.83	26.33	.00	26.33	30.33	.00	30.33
Personal Services	588,218.50	747,953	661,356	1,428	662,784	743,636	1,588	745,224
Operating Expenses	4,450,467.37	4,964,289	4,873,464	96,177	4,969,641	4,962,051	142,404	5,104,455
Equipment	107,218.71	74,699	74,699	-2,468	72,231	74,699	-103	74,596
Debt Service	27,632.00	146,374	146,374	-19,846	126,528	146,374	-19,846	126,528
Total Agency Costs	\$5,173,536.64	\$5,933,315	\$5,755,893	\$75,291	\$5,831,184	\$5,926,760	\$124,043	\$6,050,803
Proprietary Fund	5,173,536.64	5,933,315	5,755,893	75,291	5,831,184	5,926,760	124,043	6,050,803
Total Funding Costs	\$5,173,536.64	\$5,933,315	\$5,755,893	\$75,291	\$5,831,184	\$5,926,760	\$124,043	\$6,050,803

GOALS

- To provide to state agencies centralized services in printing, typesetting, layout and design, graphic and illustrative art, forms design, photo reprographics, binding and quick copy.

- To provide for all printing and printing related purchases for state government and provide print coordination, specification writing and claims auditing for contracted printing.

- To provide for the administration and management of the state photocopier pool.

AUTHORIZATION

Section 2-17-301, MCA

Communication Systems - This statute provides for the department to maintain and supervise any central duplicating and copying facility for state agencies in the capitol area.

Section 18-7-101 through 18-7-107, MCA

State Printing - This statute provides for the department to supervise and attend to all state agency printing.

Section 18-7-301
through 18-7-307, MCA

Control of State
Printing - This statute
provides for the
Publishing Policy
Committee to adopt
standards for state
printing.

BASE FUNDING

The Publications and Graphics Bureau is funded 100% by a proprietary fund.

BASE PROGRAM

The Publications and Graphics Bureau operates a centralized duplicating facility and two quick copy centers for use by state agencies in the capitol complex. The Bureau is responsible for all contracted printing and auditing of invoices in compliance with statutes, rules and purchasing policy. The Bureau is responsible for the administration of the state photocopier pool.

The objectives are:

- to provide to the user agencies, prepress, duplicating and bindery services at cost effective and efficient methods in a timely fashion.
- to provide expertise in the areas of print coordination, specification writing, contracting and invoice auditing in a cost effective and timely manner.
- to analyze agencies current and future photocopier needs and provide equipment and service to meet those needs.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Number of Duplicating Impressions	44,100,000	55,500,000	42,500,000	55,500,000
Number of Purchase Orders	1,674	1,500	1,500	1,500
Dollar Value of Contracts	\$3,300,000	\$3,700,000	\$3,700,000	\$3,700,000
Number of Photocopiers	151	155	150	155
Number of Photocopies	22,000,000	21,500,000	21,000,000	21,500,000

INCREASE OR DECREASE FROM BASE

A) The only change from base in the personal services budget was \$1,428 in FY92 and \$1,588 in FY93 in increased costs for benefits.

B) The operating expense budget increased from base by \$96,177 in FY92 and \$142,404 in FY93. Fixed costs of insurance and bonds account for a decrease of \$6,055 in FY92 and \$7,526 in FY93. This decrease is the result of a reallocation of cost to Architecture and Engineering Division who had a substantial liability loss. Office supplies reflect FY90 costs of \$3,581 each fiscal year. Repair and maintenance for printing equipment increase \$24,043 in FY92 and \$27,717 in FY93. Repair and maintenance for photocopy equipment increase \$72,191 in FY92 and \$104,473 in FY93. All these repair and maintenance costs consider inflation plus budget transferred from printing -

goods purchased for resale to cover the increases. Therefore, the goods purchased for resale-printing has decreased by \$60,212 in both FY92 and FY93.

Inflation accounts for the increase in goods purchased for resale - direct materials paper of \$62,629 and \$74,371 for FY92 and FY93 respectively.

C) Less costs will be associated with the equipment budget which will be under base by \$2,468 in FY92 and \$103 in FY93 because less spending authority is required this biennium to replace worn-out duplicating and office equipment.

D) Debt service is under base by \$19,846 in both FY92 and FY93 because a lower cost replacement schedule is anticipated.

CENTRAL STORES PROGRAM

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	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	20.34	20.34	19.84	.00	19.84	19.84	.00	19.84
Personal Services	380,782.42	512,438	509,569	1,139	510,708	508,894	1,137	510,031
Operating Expenses	2,852,385.39	3,239,347	3,029,743	559,164	3,588,907	3,133,305	579,611	3,712,916
Equipment	8,441.30	15,000	0	38,000	38,000	0	0	0
Capital Outlay	25,962.30	0	0	0	0	0	0	0
Total Agency Costs	\$3,267,571.41	\$3,766,785	\$3,539,312	\$598,303	\$4,137,615	\$3,642,199	\$580,748	\$4,222,947
Proprietary Fund	3,267,571.41	3,766,785	3,539,312	598,303	4,137,615	3,642,199	580,748	4,222,947
Total Funding Costs	\$3,267,571.41	\$3,766,785	\$3,539,312	\$598,303	\$4,137,615	\$3,642,199	\$580,748	\$4,222,947

GOALS

- * To assure the activities are maintained on a sound financial basis.
- * To provide a cost effective central stores service which will save the maximum amount of dollars for state agencies by quantity purchasing and central receiving and warehousing.
- * To return the maximum amount of dollars possible to agency funds or the general fund from the sale of state surplus property.
- * To acquire and distribute the maximum amount of usable state and federal surplus property to eligible participants.
- * To assure fair and equitable distribution of state and federal surplus property to eligible participants.

AUTHORIZATION

Federal:

Public Law 94-519 Property and Administrative Services Act, gives the Administrator of the United States General Services Department discretionary power to prescribe regulations for a federal surplus property donation program.

State:

Section 2-15-1011, 18-5-201 through 18-5-205, MCA Authority and Duties of The state Agency For Surplus Property, prescribes the authority and duties to provide a federal surplus property program.

Section 18-6-101 through 18-6-103 and 18-4-226, MCA

Authority to Sell Surplus Property, gives the department authority to sell surplus property, charge a handling fee and return funds to certain funds.

Section 18-4-221, MCA:

General Procurement Authority; authorizes the department procure or supervise procurement of all supplies and services used by the state.

Section 18-4-121 through 18-4-407, MCA

Montana Procurement Act; provides the statute for general procurement procedures and cooperative purchasing.

BASE PROGRAM

The Property and Supply Bureau provides a central stores service for all state agencies by providing quantity purchasing and a central receiving, warehousing and distribution site for merchandise used by numerous agencies. The Bureau also sells state and federal surplus to qualified donees and the public.

Under base funding the objectives for the central stores activity will be to process 12,000 orders, save the state \$3.6 million by charging an average of 60% off of retail price costs.

Objectives under base funding for the surplus activities will be to have 350 donees participating in the programs, sell \$800,000 of state surplus equipment and return \$600,000 of the sales to other agency funds or the general fund, sell \$250,000 dollars of federal surplus property and increase quality and quantity of federal surplus property available by receiving the state's full allocation of federal surplus property. All three activities will be maintained on a sound financial basis.

BASE FUNDING

The Bureau is funded only with proprietary funds. The central stores activity of the Bureau affixes a markup to the cost of the goods to fund the program. The surplus property activities collect an administrative fee for the sale of surplus equipment for the funding of the activities.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Number of Central Stores orders	12,279	12,500	12,500	12,500
Dollar Savings by Central Stores over retail (60% off retail)				
Total Sales Dollars	\$4,650,000	\$4,000,000	\$4,000,000	\$4,000,000
for surplus programs:				
Federal	\$64,700	\$275,000	\$275,000	\$275,000
State	\$919,500	\$934,000	\$934,000	\$934,000
Number of qualified donees in the surplus programs	385	400	425	425
Total dollars reimbursed from the sale of state surplus property				
General Fund	\$80,100	\$78,000	\$78,000	\$78,000
Other Funds	\$680,000	\$700,000	\$700,000	\$700,000
Percentage of the state's federal allocation of federal surplus property	60.75%	100%	150%	200%

INCREASE OR DECREASE FROM BASE

A) The only change from base in the personal services budget was \$1,139 in FY92 and \$1,137 in FY93 in increased costs for benefits.

B) The operating expense budget increased from base by \$559,164 in FY92 and \$579,611 in FY93, based on the following factors. Fixed costs in insurance and bonds decreased \$4,716 in FY92 and \$5,072 in FY93 as Architecture and Engineering

Division experienced a large loss which was directly allocated to that division. Non-discretionary costs approved by OBPP in goods purchased for resale total \$324,188 in FY92 and \$344,760 in FY93. Expansion of the Federal Surplus Program was approved during the last Legislative session in HB772 for \$250,000 per fiscal year. The base budget omitted the operating expenses which have now been added for a total of \$152,692 in FY92 and \$152,923 in FY93.

In addition, a modification request for \$87,000 per fiscal year is included in this figure and is explained in (D) below.

C) Equipment increased from base in FY92 by \$38,000 to purchase a delivery truck for \$30,000 and an electric pallet jack for \$8,000. The truck is a replacement for a 1970 Ford F700 with 145,000 miles on the odometer and in very poor condition. The pallet jack will replace a pallet jack that was purchased by the bureau a number of years ago and is prone to frequent breakdowns.

D) Federal Surplus: Last session, legislation was enacted to expand the Federal Surplus Program to include warehousing federal surplus property. The enhanced program will need an additional appropriation of \$87,000 per year to provide federal surplus at demand level. The additional authority is anticipated to be used as follows:

\$37,000/year will be used for freight costs. Most of the surplus property we locate is out-of-state which we must freight in.

\$30,000/year will be used for travel. This additional amount is necessary for screening surplus for resale to donees and marketing the program.

\$4,000/year will be used for communication costs. Our increased activity in federal surplus has increased our communication costs for tracking freight and receiving allocations from the federal government.

\$16,000/year will be used for repair and maintenance of surplus equipment and our building. This additional amount will be used to repair equipment for resale and maintain our surplus building.

Our purpose is to provide federal surplus at substantial savings to state agencies, cities, counties, school districts and certain non-profit organizations. If we are not able to provide federal surplus at demand level, these agencies will be required to find equipment elsewhere at about a 30% increase in cost. The Federal Surplus Program is a proprietary fund operation wherein we charge a fee to participating donees.

PURCHASING PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	12.33	12.33	13.33	-1.00	12.33	13.33	-1.00	12.33
Personal Services	281,119.12	336,900	356,934	-29,288	327,646	356,411	-29,222	327,189
Operating Expenses	92,655.80	97,067	107,566	-2,915	104,651	108,923	-3,198	105,725
Equipment	7,653.95	2,000	2,000	0	2,000	2,000	0	2,000
Total Agency Costs	\$381,428.87	\$435,967	\$466,500	\$-32,203	\$434,297	\$467,334	\$-32,420	\$434,914
General Fund	381,428.87	435,967	436,448	-2,151	434,297	437,349	-2,435	434,914
Proprietary Fund	0.00	0	30,052	-30,052	0	29,985	-29,985	0
Total Funding Costs	\$381,428.87	\$435,967	\$466,500	\$-32,203	\$434,297	\$467,334	\$-32,420	\$434,914

GOALS

AUTHORIZATION

* Provide for increased public confidence in the procedures followed in public procurement;

18-4-221 MCA Authority to procure or supervise procurement of all supplies and services needed by the state.

* Ensure the fair and equitable treatment of all persons who deal with the procurement system of the state;

18-1-101 through 18-1-414 MCA The Bureau must be in compliance with public contracts statutes.

* Provide increased economy in state procurement activities and maximize to the fullest extend practicable the purchasing value of public funds of the state;

18-4-121 through 18-5-502 MCA The Montana Procurement Act and special purchasing conditions statutes provide the general procurement procedures for state government.

* Foster effective, broad-based competition for items procured.

BASE PROGRAM

The Purchasing Bureau provides a centralized purchasing function for state government,

processing agency procurement requests, establishing annual contracts, managing, training, and establishing criteria for delegated agency purchasing agreements.

The objectives of the Bureau under base funding will be to provide timely, responsive, and effective services for user agencies within 35 days from receipt of requisition and provide state agencies a cost savings on procurements processed through the competitive bid process.

BASE FUNDING

The Bureau is funded by the general fund except one position. The one position is providing service primarily for Information Services Division (ISD) and will be funded from the ISD computer services proprietary fund.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Requisition turnaround	53	40	37	35
Requisitions	1,811	2,000	2,000	2,000
Purchase Orders	3,154	3,100	3,150	3,150
Invitation for Bids	502	500	500	500
Term Contracts	58	57	57	57
Request for Proposals	28	50	60	60

INCREASE OR DECREASE FROM BASE

A) Personal Services decreased from base by \$30,052 in FY92 and \$29,985 in FY93 as a result of one FTE transferred to the Information Services Division which is a proprietary fund. The general fund portion of personal services increased by \$764 in FY92 and \$763 in FY93 because of increased costs for benefits.

B) Insurance costs decrease as a result of premium reallocation to Architecture and Engineering Division who had a substantial liability loss, and data network costs decrease from base for a total of \$2,915 in FY92 and \$3,198 in FY93.

INFORMATION SERVICES DIVISION

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
	135.59	133.59	133.59	-6.20	127.39	133.59	-6.20	127.39
Personal Services	3,775,263.60	4,131,014	4,339,491	-131,028	4,208,463	4,336,414	-131,649	4,204,765
Operating Expenses	7,200,852.89	7,269,277	7,727,506	1,205,630	8,933,136	7,751,490	1,458,623	9,210,113
Equipment	1,116,978.88	752,855	752,855	1,202,758	1,955,613	752,855	1,153,369	1,906,224
Capital Outlay	1,761.42	0	0	0	0	0	0	0
Local Assistance	939,649.70	1,007,677	768,908	0	768,908	824,573	0	824,573
Transfers	74,873.54	87,625	88,601	0	88,601	89,093	0	89,093
Debt Service	3,525,970.09	4,409,119	4,409,119	0	4,409,119	4,409,119	-546,650	3,862,469
Total Agency Costs	\$16,635,350.11	\$17,657,567	\$18,086,480	\$2,277,360	\$20,363,840	\$18,163,544	\$1,933,693	\$20,097,237
State Special Revenue Fund	1,307,363.04	1,095,302	1,107,509	0	1,107,509	1,113,666	0	1,113,666
Proprietary Fund	15,327,987.07	16,562,265	16,978,971	2,277,360	19,256,331	17,049,878	1,933,693	18,983,571
Total Funding Costs	\$16,635,350.11	\$17,657,567	\$18,086,480	\$2,277,360	\$20,363,840	\$18,163,544	\$1,933,693	\$20,097,237

OVERVIEW

The Information Services Division is responsible for the delivery of information services including: Data Processing, Telecommunications, Office Systems and Records Management. In addition, the Division is also responsible for planning and policies related to the use of information services and information resources throughout general State government. The Division coordinates the use and impact of information services and resources between general Government, the University System, the Office of Public Instruction and local government.

The Information Services Division has recently been reorganized and is comprised of three

service oriented bureaus: Central Computer Operations, Network/Telecom Services and Application Services. The Office of Policy, Research and Development is a staff group responsible for the policy and coordination functions.

The Division's budget is based on three separate funding entities: 1. Computer Services proprietary account; 2. Telecommunications proprietary account; and, 3. 9-1-1 Emergency Telephone program.

COMPUTER SERVICES PROGRAM

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
	114.95	114.95	112.95	-7.20	105.75	112.95	-7.20	105.75
Personal Services	3,139,986.54	3,505,093	3,638,598	-165,308	3,473,290	3,636,232	-165,847	3,470,385
Operating Expenses	2,144,331.36	2,664,149	2,816,698	810,330	3,627,028	2,831,964	1,060,844	3,892,808
Equipment	776,819.45	542,855	542,855	973,758	1,516,613	542,855	924,369	1,467,224
Debt Service	1,439,074.73	1,503,166	1,503,166	0	1,503,166	1,503,166	0	1,503,166
Total Agency Costs	\$7,500,212.08	\$8,215,263	\$8,501,317	\$1,618,780	\$10,120,097	\$8,514,217	\$1,819,366	\$10,333,583
Proprietary Fund	7,500,212.08	8,215,263	8,501,317	1,618,780	10,120,097	8,514,217	1,819,366	10,333,583
Total Funding Costs	\$7,500,212.08	\$8,215,263	\$8,501,317	\$1,618,780	\$10,120,097	\$8,514,217	\$1,819,366	\$10,333,583

GOALS

- Provide easy to use, reliable data communications throughout all state offices.
- Improve the "ease of use" of the mainframe computer.
- Improve the security protection of applications.
- Maximize the benefits of the state mainframe by providing for the cost effective use of installed hardware and software facilities.
- Maximize the productivity of data processing staffs by providing central, shared technical software support services.
- Increase the efficiency and effectiveness of State agency use of data processing by providing a central pool of systems development professionals.
- Standardize microcomputer products by

providing support, training, and purchasing assistance.

• Maximize the state's return on the investment in microcomputer and networking technology by creating and implementing new cost beneficial statewide office application systems.

• Improve the accessibility of information to the public by promoting direct private computer access to state information.

• Improve personnel productivity by implementing new automated productivity tools on microcomputers, mainframes, and computer networks.

• Provide for the coordination of data processing in state government, at central and local levels, to ensure compatibility with the state's communication network and information system architectures.

AUTHORIZATION

Authority and responsibilities for Computer Services are defined in sections 2-17-501, 2-17-503, 2-17-301, 2-17-302 and 2-6-203, MCA.

BASE PROGRAM

1. The Central Computer Operations function provides centralized (mainframe) computer processing services 24 hours a day, 7 days a week to State Agencies. Other services include data entry, records management, agency assistance with processing problems, technical support, and problem resolution.

Objectives:

- Continue to provide adequate mainframe computer resources to support user agencies' service requirements.
- Continue to provide efficiency improvements in service delivery as reflected in continuance of per-service-unit rate reductions.
- Maintain a technically qualified and competent staff dedicated to designing, tuning, and operating a configuration of computer hardware, software, and data networks to meet the needs of State agencies.
- Provide physical and logical security for all machine readable (computerized) data and computer programs owned by the agencies.

- Provide cost-effective records management services including source document microfilming, Computer Output Microfilming, records storage, and off-site (disaster backup) storage of vital computer data.

2. The Network/Telecom Services data communications function is funded through the Computer Services proprietary account. Data communications services include: mainframe connectivity, local area network (LAN) connectivity; LAN to LAN connectivity; LAN to mainframe connectivity; interface (gateway) between the IBM mainframe network called SNA and the DEC network environment to provide connectivity for the University System and other agencies utilizing DEC computers; personal computer (PC) workstation configuration and support; network(s) management, control and problem resolution; and, HELP DESK support for all data network users.

Objectives:

- To provide reliable, cost effective data communications connectivity throughout state government.
- To provide connectivity in such a way that a state worker working from a single PC workstation can efficiently access other PC's and the mainframe as needed.
- Operate and maintain a statewide data (teleprocessing) network interconnecting

intelligent workstations, distributed processors and Local Area Networks with the host computer system.

- Provide responsive problem resolution and on-going support services to users of data networks in order to minimize loss of productivity in the user agencies.

3. The Systems Development function is responsible for planning, designing, developing and supporting application systems to run on all platforms of computing for state agencies.

The Application Software Support function which includes Database Design & Administration, provides technical support for database software and other development software used by all agency professional programming staffs.

Objectives:

- Continue to research and acquire software designed to increase the productivity of data processing professionals.
- Encourage appropriate use of database and other software facilities used by data processing professionals where mainframe facilities are the most cost effective alternative.
- Provide a staff of software specialists with expertise in database and all other major software development facilities used by data processing professionals to avoid the costs of duplicating software support services in several agencies.

The Project Development function provides analysis and programming services on all platforms of computing for State agencies.

Objectives:

- Reduce the costs of providing data processing services in agencies with limited data processing needs by supporting several small agency systems with a central pool of data processing employees.
- Continue to provide technical consulting, systems development, and systems support for major application systems in the Department of Administration and for statewide systems used by all State agencies.

The End User Computing function provides support and training for applications such as electronic mail, word processing, statistical computations and graphics performed on various platforms of computing.

Objectives:

- Provide and support end-user computing tools and services which improve the productivity of state workers in the agencies.
- Establish and support a cost effective statewide "enterprise" electronic mail system.
- Provide training and consultation for agency personnel designed to maximize productivity through a thorough understanding of the computing services and tools available to them.

- Provide responsive support for "public access" systems including the Electronic Bulletin Board System.

4. The functions of planning, establishing policies, controlling the use of computing and data communication resources and the administrative activities related to cost recovery and accounting support services for the division are funded by the Computer Services proprietary account and performed by the Office of Policy, Research and Development.

Objectives:

- It is the objective of the division to influence the evolution and development of computing services and associated resources in a manner that will maximize productivity and minimize costs for the state as a whole.
- Ensure the effective integration of all information services and technologies including data processing, personal computing, office automation, records management and telecommunications.
- Establish policies and encourage practices designed to ensure the protection and security of the investment this state has made in information resources.

BASE FUNDING

All services and administrative functions are funded from the computer services proprietary account.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
ISD COMPUTER OPERATIONS				
CPU Seconds	3,652,663	4,747,400	4,747,400	4,747,400
Disk/Storage				
Megabyte/Days	8,634	13,088	13,088	13,088
Tape Storage	6,475	6,749	6,749	6,749
Rec/Storage	272,874	281,516	281,516	281,516
ISD INFORMATION CENTER				
Student Class Days	1,954	1,950	1,950	1,950
Hours spent on support	10,800	10,800	10,800	10,800
Software pkgs supported	30	30	30	30
State network E-mail Users	201	250	250	250
Public users (all systems)	850	850	850	850
PC's networked	2,200	3,000	3,000	3,000
ISD SYSTEMS DEVELOPMENT BUREAU				
Software Support Hours	7,800	7,800	7,800	7,800
(Data Base, etc.)	24,900	24,900	24,900	24,900
Project Development Hours				

INCREASE OR DECREASE FROM BASE

A) Personal services decreased from base by 7.20 FTE in both fiscal years and \$165,308 in FY92 and \$165,847 in FY93. This difference reflects required overtime, a slight increase in benefit costs, the transfer in of one FTE from the Purchasing & Procurement Division, a modified

request of 3.0 FTE for the Data Network function and the reduction in personal services of 11.2 FTE as a result of the privatization of the data entry function.

B) The total operating expense budget increased from base by \$810,330 in FY92 and \$1,060,844 in

FY93, of which amount \$512,600 in FY92 and \$527,200 in FY93 are explained in the modified requests below. Consulting and professional services account for increases of \$221,259 in FY92 and FY93 to provide for agency data processing training from the private sector formerly provided in-house, data entry services contracted with the private sector, and system development contracted with the private sector.

Inflation accounts for an increase of \$7,673 in FY92 and \$14,516 in FY93. Fixed costs comprised of insurance and payroll service fees decreased \$11,795 in FY92 and \$33,326 in FY93. The insurance decrease is due to reallocation of the department insurance premium to Architecture and Engineering Division who had a large liability loss, and payroll service fees decreased as a result of data entry privatization and less employees. Budget for education and training decreased \$23,515 in FY92 and FY93, and consultant travel decreased by \$30,000 both fiscal years and was reallocated to consulting and professional services. The need for data processing supplies decreased by \$215 in both fiscal years. The local data circuits budget increased over base by \$151,688 in FY92 and \$144,794 in FY93 to handle the extraordinary growth in local area network activity. Non-discretionary costs of \$156,000 in FY92 and \$360,000 in FY93 were approved by OBPP for rent on software programs to meet the needs for developing new and efficient systems. There has been an increase of \$21,852 in FY92 and \$55,348 in FY93 to cover cost increases for the repair and maintenance of data network equipment.

Merchandise goods for resale decreased from base by \$175,217 in FY92 and FY93 because software packages will now be inventoried by Central Stores.

Equipment increases of \$973,758 in FY92 and \$924,369 in FY93 are explained in the following modified requests.

C) Computer Service Growth: This modified request is for \$500,000 each fiscal year of proprietary fund authority. Mainframe utilization has grown on average over the last nine years at a 17% level. During FY91 the rate accelerated to 41%. Additional funds are needed for operating expenses and equipment to accommodate the added workload. Several new major applications will be implemented during the biennium which will substantially increase the workload: System for Enforcement and Recovery of Child Support (SEARCHS); Job Service System; Family Services Management System; and the completion of TEAMS. Additionally, normal agency growth, additional processing due to increased access to the mainframe by more and more distributed users, and the need to manage electronic mail has increased utilization on the central processor. FY91 mainframe rates will be reduced 11% and 19% in FY92 and FY93 respectively, as a result of this increased utilization and resulting economies of scale.

D) Data Network Consolidation: This modified request is for \$800,213 in FY92 and \$800,210 in FY93 and 3.00 FTE each fiscal year of proprietary

fund authority. In order to establish a standardized statewide data communication system, accessible by agency offices throughout the state and available for connections with local government, all data network expenditures need to be managed and controlled by ISD. This request channels network related expenditures that would otherwise be expended by individual agencies into ISD's budget and allows for the establishment of a simple cost recovery system for agency reimbursement. This consolidated amount is needed to provide and adequately support a standardized data network service for all agencies. Personal computers installed at agencies will be connected by standard hardware and software components provided by the division to ensure compatibility. A high speed fiber optic backbone will be installed between capitol complex buildings to significantly minimize the cost of tying local area networks (LAN's) together and connecting them to the central mainframe computer and the statewide data network. Funding is required to pay for staffing, hardware and software, and operating expenses to manage the consolidation. Monthly connectivity rates of \$40.00 per PC and \$30.00 per terminal will be implemented and will replace all other connectivity rates currently charged (SNA fees, subscription fees, circuit charges). 4,000 devices (PC's and terminals) will be networked by the end of FY91, and 1,000 additional devices will be networked in each year of the biennium. Consolidating the networking of these devices, now and in the future, will provide for overall savings to the state versus different networks being installed by agencies

(many that would not communicate with others). FY91 mainframe rates will be reduced 8% each year as a result of removing this level of current data network cost subsidy by the mainframe.

E) Armory Computer Upgrade: This modified request is for \$100,000 each fiscal year of proprietary fund authority. The processing workload of the Department of Justice is growing at a rate which will exceed the capacity of the presently installed computer during the biennium. The existing processor is operating at 94% of capacity. The major applications supported by this computer configuration include the Criminal Justice Information System, and the State's Motor Vehicle Registry System. The division needs the authority to enhance and expand its data processing equipment and related software to meet the growing needs of the Department of Justice. No rate changes are required in that this will be funded directly by the Department of Justice.

F) Disaster Backup: This modified request is for \$179,000 in FY92 and \$144,000 in FY93 of proprietary fund authority. This request is for a "Hot Site Contract" with a private firm to provide the division with a comparable data processing capability in the event of a disaster at the state data processing center. The need for this contingency plan is essential to the continued federal funding of certain application systems such as TEAMS. The data processing center is located in a basement which makes it unusually susceptible to water damage, as well as damage from fires and earthquakes. Furthermore, the Legislative Auditor recommends disaster

contingencies be put in place as state government operations rely more and more on the central processor and networks. Security consultants, Deloitte, Haskins and Sells estimated that a one month outage of twelve selected applications running in the data center would result in direct costs of \$9,375,600 in lost interest, extra expense and penalties. A warm site contract would avoid this exposure.

TELECOMMUNICATIONS PROGRAM

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993		Fiscal 1994	
			Base	Incr/Decr	Base	Incr/Decr	Base	Incr/Decr
Personal Services	562,299.61	550,518	625,097	34,105	624,501	34,023	624,501	34,023
Operating Expenses	4,757,126.29	4,601,406	4,657,060	395,755	4,715,573	398,270	4,715,573	398,270
Equipment	340,159.43	210,000	210,000	229,000	210,000	229,000	210,000	229,000
Capital Outlay	1,761.42	0	0	0	0	0	0	0
Debt Service	2,086,895.35	2,905,953	2,905,953	0	2,905,953	-546,650	2,905,953	0
Total Agency Costs	\$7,748,242.10	\$8,267,877	\$8,398,110	\$658,860	\$8,456,027	\$114,643	\$8,456,027	\$114,643
Proprietary Fund	7,748,242.10	8,267,877	8,398,110	658,860	8,456,027	114,643	8,456,027	114,643
Total Funding Costs	\$7,748,242.10	\$8,267,877	\$8,398,110	\$658,860	\$8,456,027	\$114,643	\$8,456,027	\$114,643

GOALS

- Ensure that the telecommunications needs of State government are provided for in the most cost effective manner possible.
- Provide a shared backbone digital transmission facility capable of handling the needs of the state for voice, data, video and image transmission.
- Provide a high level of service at affordable rates to existing users whose operations depend on telecommunications capabilities.
- Improve the cost effectiveness and geographical extent of statewide telecommunications transmission services (i.e. voice, data, and video).
- Coordinate and facilitate the expansion and improvement of telecommunications services to all state agencies; especially those

vital to public safety and law enforcement.

- Coordinate and provide technical support for the development of distance learning through telecommunications for schools throughout Montana.

AUTHORIZATION

2-17-301 to 2-17-313, MCA. assigns responsibility to the Department of Administration for providing overall communications services to all state agencies, as well as responsibility for Land mobile public safety radio frequency coordination.

BASE PROGRAM

The Telecommunications responsibilities of the Information Services Division are carried out in two functional areas. Telecommunication services and technical design are provided by the Network/Telecom Bureau. Planning, coordination and general strategic development activities are carried out by the Office of Policy, Research and Development. The data communication activities of the division are funded through the Computer Services Proprietary account. All other telecommunication activities of the division are funded through the Telecommunications Proprietary account as summarized below.

The Network/Telecom function provides a wide variety of telecommunications services. This activity operates and maintains the state telecommunications network facilities, providing voice and data transmission with the potential of providing video transmission. Bureau staff designs, develops and maintains telecommunications systems and facilities on behalf of state agencies for voice, data, video, and radio utilization. The Network/Telecom function also operates the statewide telephone system and provides for a central HELP DESK to assist agencies and facilitate speedy problem resolution.

Objectives:

- To maximize the cost effectiveness of telecommunication services through integration of service needs and sharing of resources wherever possible.
- To provide agencies with the most cost

effective, reliable telecommunications system that is practical.

- To maintain these systems at the lowest cost possible, predominately through private sector contracts.
- To assist the educational community in improving its functions through improved telecommunications system.
- To modify and grow telecommunications systems based upon agency needs with appropriate investments in new technology; and to posture agencies to take advantage of changes in the industry in the future.

A major portion of the activities of the Office of Policy, Research and Development involve planning, coordinating, strategic development services and administrative/accounting services related to statewide telecommunications. Radio frequency coordination and assignment services are provided, including support for statewide mutual aid frequencies along with coordination of public safety communications in general and telecommunications planning assistance to local governments. These activities are funded by the Telecommunications Proprietary account with the exception of 9-1-1 Emergency Telephone services which has its own source of funding and is budgeted as a separate program.

Objectives:

- It is the objective of the division to influence the evolution and development of telecommunication facilities, services and associated resources in a manner that will maximize productivity and minimize costs for the state as a whole.

- Ensure the effective and useful integration of all information services and technologies with telecommunications.
- Establish policies and encourage practices designed to ensure the protection and security of the investment this state has made in telecommunications resources.
- To assist public safety providers, both state and local, in improving their capabilities through improved and better coordinated telecommunications systems.
- Assist the education agencies with the establishment of an effective distance learning telecommunications system to serve the needs of education in Montana.

BASE FUNDING

All services and administrative functions are funded from the Telecommunications proprietary account.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Network Traffic:				
Long Distance	12,500,000	12,500,000	12,500,000	12,500,000
Local Minutes	13,000,000	13,000,000	13,000,000	13,000,000
Telephone Stations:				
Data Terminals	4,598	4,688	4,688	4,688
SNA Connections	3,445	3,580	3,580	3,580
	324	330	330	330

INCREASE OR DECREASE FROM BASE

A) The only change from base in the personal services budget was \$1,442 in FY92 and \$1,436 in FY93 in increased costs for benefits. The balance of \$32,663 in FY92 and \$32,587 in FY93 is a modified FTE request for the student long distance program which is explained below.

B) Total operating expenses increased over base by \$395,755 in FY92 and \$398,270 in FY93. Modified requests of \$374,412 in FY92 and \$349,487 in FY93, which are explained below, are also accounted for in this increase. Fixed costs in insurance and deflation factors account for a decrease of \$3,657 in FY92 and \$4,217 in FY93. Insurance decreased due to a premium reallocation to Architecture and Engineering Division who had a substantial liability loss. Budget was moved from computer processing/Department of Administration to computer processing/Non-Department of Administration to provide services

for monthly and posting of telecommunications detail plus telephone directories. Telephone equipment maintenance budget increased over base by \$25,000 in FY92 and \$53,000 in FY93 because of cost increases expected in telephone switch maintenance rates.

C) Student Long Distance: This modified request is for \$325,075 in FY92 and \$325,074 in FY93 and 1.00 FTE each fiscal year in proprietary fund authority. The University System began a program in the fall quarter of 1991 offering long distance service to students living in dormitories on campus through the State Telecommunications Network. Funding is required to pay for an additional FTE and communications costs required to administer the system. Agency network rates have been reduced 3% in FY91 as a result of the additional volume created by the dormitory students. This savings will carry

forward into the biennium.

D) Telecommunications System Upgrade: This modified request is for \$229,000 each fiscal year in proprietary fund authority. The division manages switching equipment throughout the state at major network locations. Growth in these locations and obsolescence of the hardware and software of the switches makes it necessary for the division to invest in improved capabilities to manage agency telephone calling. Agency moves and changes continue to impact the ability of the network, managed by the switches, to properly handle agency traffic. The request will provide the division with the ability to upgrade strategic switch locations and manage normal growth, and add, moves and changes by the agencies. Network rates will remain stable through a combination of agency growth, depreciation replacement, and pass through when appropriate.

E) Public Safety Communications: This modified request is for \$82,000 in FY92 and \$57,000 in FY93 in proprietary fund authority. The Public Safety Communications Task Force recommends improvements in the division's ability to coordinate frequency requests, manage mutual aid agencies statewide, provide technical assistance to local governments in use of public safety radio systems, and develop coordinated plans for use of the frequency spectrum by state and local users. Significantly, in 1992 each state must file with the FCC a plan on its use of the 800 megahertz spectrum which will dictate the use of this new capability nationwide. All other

traditional public safety spectrum uses must be earmarked in this plan also, and this request will provide the division with the resources to prepare and file a statewide coordinated plan which will also take into account our International Boundary. Growth on the network is expected by public safety radio users to communicate between distant locations as a result of this activity and ,therefore, no change in network rates is expected.

9-1-1 PROGRAM

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	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	2.00	2.00	2.00	.00	2.00	2.00	.00	2.00
Personal Services	72,977.45	75,403	75,796	175	75,971	75,681	175	75,856
Operating Expenses	299,395.24	3,722	253,748	-455	253,293	203,953	-491	203,462
Local Assistance	939,649.70	1,007,677	768,908	0	768,908	824,573	0	824,573
Transfers	74,873.54	87,625	88,601	0	88,601	89,093	0	89,093
Total Agency Costs	\$1,386,895.93	\$1,174,427	\$1,187,053	\$-280	\$1,186,773	\$1,193,300	\$-316	\$1,192,984
State Special Revenue Fund	1,307,363.04	1,095,302	1,107,509	0	1,107,509	1,113,666	0	1,113,666
Proprietary Fund	79,532.89	79,125	79,544	-280	79,264	79,634	-316	79,318
Total Funding Costs	\$1,386,895.93	\$1,174,427	\$1,187,053	\$-280	\$1,186,773	\$1,193,300	\$-316	\$1,192,984

GOALS

- The ultimate goal of the 9-1-1 Emergency Telephone System Program is to make 9-1-1 emergency service available everywhere in Montana.
- The division will strive to make our staff and services as responsive to the needs of the local entities as possible in order to assist them with the establishment of 9-1-1 in their areas.
- Evaluate and approve 9-1-1 plans to assure that the emergency telephone is implemented in a uniform and consistent manner as prescribed by law.
- Provide prompt and timely distribution of 9-1-1 account funds.
- Monitor implementation and ongoing operations of approved plans for 9-1-1 service.

AUTHORIZATION

10-4-101 through 10-4-303 M.C.A.;
STATE EMERGENCY TELEPHONE SYSTEM sets forth requirements for emergency telephone system plans, funding, and usage of account funds.

42-31-401 through 42-31-405 M.C.A.,
MISCELLANEOUS TAX-EMERGENCY TELEPHONE SERVICE provides for collection of a fee from telephone subscribers in Montana.

BASE PROGRAM

The 9-1-1 Program Office assists local communities to develop and improve emergency telephone systems which use 9-1-1, administers the 9-1-1 emergency telecommunications account and monitors the implementation of 9-1-1 emergency telephone systems.

The objectives of the 9-1-1 Program Office under base funding will be to increase the availability of 9-1-1 emergency telephone service by approving five preliminary and five final plans yearly for 9-1-1 service, to distribute the 9-1-1 emergency telecommunications account within sixty days of the close of each calendar quarter and to monitor the implementation of emergency telephone service in thirty 9-1-1 jurisdictions.

BASE FUNDING

The Emergency 9-1-1 activity is funded by a 25 cent fee imposed on each telephone subscriber access line in Montana each month.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Telecom 9-1-1 Program:				
Preliminary Plans				
Processed	4	4	5	5
Final Plans Processed	9	4	5	5
# of 9-1-1 jurisdictions	28	33	36	41
Account Warrants Processed	230	508	508	508
Population Served	65%	76%	83%	87%
Annual System Reviews	12	16	18	22

STATUTORY APPROPRIATIONS

Statutory appropriations authorized by MCA 10-4-101 through 10-4-303 provide for establishment and improvement of the emergency 911 telephone system throughout the State.

INCREASE OR DECREASE FROM BASE

A) The increase in the personal services budget was \$175 in FY92 and \$175 in FY93 in increased costs for benefits.

B) Fixed costs in insurance account for the decrease of \$455 in FY92 and \$491 in FY93 in operating expenses. Insurance costs decrease due to reallocation of the department insurance premium to Architecture and Engineering Division who had a substantial liability loss.

GENERAL SERVICES DIVISION

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993		Recommended	Fiscal 1994		Recommended
			Base	Incr/Decr	Base	Incr/Decr		Base	Incr/Decr	
	30.00	20.00	30.00	-10.00	30.00	-10.00	20.00	30.00	-10.00	20.00
Personal Services	720,737.35	726,789	808,078	-193,290	811,269	-194,084	614,788	811,269	-194,084	617,185
Operating Expenses	2,657,384.80	3,021,687	2,875,357	233,553	2,858,172	345,213	3,108,910	2,858,172	345,213	3,203,385
Equipment	7,174.55	6,000	6,000	0	6,000	0	6,000	6,000	0	6,000
Capital Outlay	1,538.31	0	0	0	0	0	0	0	0	0
Transfers	58,768.93	58,801	58,801	0	58,801	0	58,801	58,801	0	58,801
Total Agency Costs	\$3,445,603.94	\$3,813,277	\$3,748,236	\$40,263	\$3,734,242	\$151,129	\$3,788,499	\$3,734,242	\$151,129	\$3,885,371
General Fund	255,914.64	391,175	383,224	3,106	384,485	12,680	386,330	384,485	12,680	397,165
Capital Projects Fund	58,768.93	58,801	58,801	0	58,801	0	58,801	58,801	0	58,801
Proprietary Fund	3,130,920.37	3,363,301	3,306,211	37,157	3,290,956	138,449	3,343,368	3,290,956	138,449	3,429,405
Total Funding Costs	\$3,445,603.94	\$3,813,277	\$3,748,236	\$40,263	\$3,734,242	\$151,129	\$3,788,499	\$3,734,242	\$151,129	\$3,885,371

OVERVIEW

The General Services Program provides administration, management and delivery of the repair, maintenance, and security needs in the Capitol Complex and several state owned buildings in the Helena area. The program also provides locksmith service, painting, remodeling and construction services in state-owned buildings including mechanical maintenance, pest control, janitorial services, elevator maintenance and garbage collection. These responsibilities cover 39 buildings with a total of 1,177,316 square feet.

GOALS

To provide efficient, cost effective operations and maintenance service which results in a safe

and healthy work environment for state employees who provide essential services to the public.

AUTHORIZATION

2-17-111 MCA:

In 1963, the Department of Administration was given the duties and powers of the office of the Capitol Custodian were transferred to the Department of Administration in 1963 at which time the General Services Division was created to manage all state property in the state capitol area. In 1989, House Bill 412 amended Section 2-17-

111, MCA to identify "the capitol area" as a geographic area within a ten mile radius of the state capitol.

2-17-101 MCA: Requires the Department of Administration to allocate space for agency use and to consolidate state offices outside the Helena area.

BASE PROGRAM

The General Services Program has an administrative staff of three FTE which include an administrator, facilities manager and an architect. The objective of the administrative staff is to manage the maintenance of state buildings and to ensure responsive and efficient service delivery. The administrative staff also allocates space to agencies in state buildings, approves leases of agencies statewide, and assists in office consolidation efforts.

The Fiscal Bureau staff is comprised of an accountant, secretary and an accounting specialist. The Fiscal Bureau provides administrative and clerical support to enable the program to most effectively and efficiently provide services to state government.

The Facilities Maintenance Bureau is staffed by a maintenance superintendent, six maintenance workers, four painters and two carpenters. These staff members are responsible for providing repair, maintenance and remodeling services for state agencies in the most cost

effective and efficient manner.

The Facilities Services Bureau has a contract enforcement officer. The contract enforcement officer is responsible for enforcing janitorial contracts, mechanical maintenance contract, elevator maintenance contracts, pest control contract, security contract, and sanitation service contracts whose requirements are to provide state government with a clean, healthy and safe working environment, and to ensure that all mechanical equipment is operating at maximum efficiency.

BASE FUNDING

The General Services Program is funded from several sources. General fund is appropriated to the division in lieu of charging agencies for the "common"area" space in the Capitol Complex. This common area includes legislative space in the Capitol, museum space in the Historical Society, the Governor's executive residence, and the original Governor's mansion. The general fund amount is calculated as 12 percent of the operating budget.

Another funding source paid to the General Services Program in lieu of charging agencies for services is received from the capitol building account. These funds, grouped in the proprietary fund category, are used for capitol complex maintenance. Both the general fund and the capitol building funds are paid directly to the program for operating costs rather than recovering these costs through the rental rate charged to agencies within the capitol complex.

A third funding source is the amount received each year from direct reimbursement by state agencies for special projects, rather than routine maintenance. These funds are also grouped in the proprietary fund category.

The final funding source is the rental rate assessed state agencies on the basis of square footage. The square footage rate is based on the operating costs of the division less the first three funding sources.

Performance Indicators

FISCAL BUREAU	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Purchase documents	48	48	48	48
Forms	85	75	75	75
Warrants	623	864	864	864
No warrant trans.	891	891	891	891
Accounts rec.	912	912	912	912
FACILITIES MAINTENANCE BUREAU	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Buildings serviced	38	38	38	38
Contracts supervised	10	12	12	12
Projects completed	53	57	57	57
Maj maint wk order	711	450	450	450
On call wk order	4,721	6,714	6,714	6,714
FACILITIES SERVICES BUREAU	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Union contract	3	3	3	3
Buildings serviced	38	38	38	38
Contracts supervised	144	144	144	144
Work orders-contracts	3,263	3,263	3,263	3,263

INCREASE OR DECREASE FROM BASE

A) Personal Services reflects a decrease from base of 10 FTE in both fiscal years and \$193,290 in FY92 and \$194,084 in FY93 which is the result of privatization of security personnel.

B) Operating Expenses increase \$233,553 in FY92 and \$345,213 in FY93 in the following areas:

Security Protection increased \$147,493 in both fiscal years to cover the cost of paying contracted services for the privatized security function. Janitorial/Caretaker Services increased \$4,030 in FY92 and \$64,891 in FY93 as a result of rebidding the janitorial contract. Also, the mechanical contract will be rebid near the end of FY92, and a 7.5 percent increase is projected. The cost of janitorial service in FY93 is higher because of the legislative session.

Electricity increased \$67,081 in FY92 and \$114,381 in FY93 and natural gas increased \$17,167 in FY92 and \$25,822 in FY93 due to rate increases of 22.6 percent for electricity and 9 percent for natural gas which were requested by the Public Service Commission. The difference in the budget request for electricity between FY92 and FY93 is the result of increasing the FY93 budget to compensate for the OBPP deflation factor increase from 3.7 percent in FY92 to 8.68 percent in FY93. The request for natural gas increases in FY93 as a result of the OBPP inflation factor increase from 1 percent in FY92 to 3.93 percent in FY93.

A downward adjustment to insurance and bonds as a result of reallocation of agency cost to Architecture and Engineering Division, who had a substantial liability loss, accounts for the balance of the reduction in base of \$2,218 in FY92 and \$7,374 in FY93.

C) There are no adjustments to the base for equipment.

CENTRAL MAIL PROGRAM

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
	10.25	10.25	10.25	1.00	11.25	10.25	1.00	11.25
Personal Services	188,460.67	201,014	206,466	16,788	223,254	209,440	17,801	227,241
Operating Expenses	1,117,253.16	1,195,032	1,429,042	-2,483	1,426,559	1,429,463	-2,605	1,426,858
Equipment	530.00	0	0	0	0	0	0	0
Total Agency Costs	\$1,306,243.83	\$1,396,046	\$1,635,508	\$14,305	\$1,649,813	\$1,638,903	\$15,196	\$1,654,099
Proprietary Fund	1,306,243.83	1,396,046	1,635,508	14,305	1,649,813	1,638,903	15,196	1,654,099
Total Funding Costs	\$1,306,243.83	\$1,396,046	\$1,635,508	\$14,305	\$1,649,813	\$1,638,903	\$15,196	\$1,654,099

OVERVIEW

The Central Mail Program maintains and supervises central and deadhead mail service for state agencies in the capitol area.

facilities for state agencies in the capitol area.

GOALS

To provide efficient, cost effective mail services for 535 agency accounts in the Helena area, and to continue the centralized processing of mail to ensure cost saving advantages are realized for state government.

AUTHORIZATION

2-17-301, MCA: The Department of Administration shall maintain and supervise any central mailing, messenger service, duplicating, and copying

BASE PROGRAM

The Central Mail Program operates with a supervisor, 8 full-time mail clerks and 2 part-time mail clerks. Central mail administrators and delivers mail services to agencies in the Helena area. Central mail provides pick-up, delivery and processing of United States mail, interagency mail and UPS. Pre-sorting and the performance of other United States postal functions create cost savings for the state. These savings are passed through to the agencies using central mail.

BASE FUNDING

The Mail and Distribution Bureau receives its funding from four sources:

1. Each state agency is assessed a fee for mail sorting and delivery based on its volume of mail in the base year and the number of stops mail bureau personnel must make within each agency. This is known as "deadhead" mail.
 2. The second revenue source is the overhead cost recovered on postage for outgoing U.S. mail. The legislature established a maximum 7 percent overhead rate in fiscal year 1990 and a 6 percent rate in fiscal year 1991.
 3. The third revenue source is a contract with the U.S. Postal Service to cover the cost of normal operating hours of the Capitol post office and other services provided for the U.S. Post Office.
 4. The actual postage and shipping costs, the fourth revenue source, are also recovered from the agencies.
- All four revenue sources are deposited in to a proprietary account.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
UPS	8,992	25,333	25,333	25,333
Deadhead	290,000	260,000	260,000	260,000
Outgoing mail	2,877,182	2,902,332	2,902,332	2,902,332

INCREASE OR DECREASE FROM BASE

A) 1.0 FTE was added to this program for a total amount of \$16,788 in FY92 and \$17,801 in FY93. This additional FTE will provide the resources needed to handle increased mail volume due to agencies such as the Department of Highways and Department of Health and Environmental Sciences using this bureau's services.

B) In operations, Insurance & Bonds was reduced from the base by \$2,433 in FY92 and \$2,555 in FY93 because some of the cost was allocated to Architecture and Engineering Division who had a substantial liability loss. Deflationary figures were larger than budget increases by \$50 for a notary bond and this caused the operations budget to decrease by (\$2,483) in FY92 and (\$2,605) in FY93.

C) Postage Meter: This modified budget request for equipment is to replace existing equipment that has exceeded or will exceed its production

capacity. Mail processor with serial number 58647 has processed 2,954,949 pieces of mail as of August 15, 1990, and mail processor with serial number 41251 has processed 3,919,349 pieces of mail as of August 15, 1990. The MAXIMUM OUTPUT recommended by the manufacturer is 3.5 million pieces. Equipment failure occurs and down time is experienced when machines have surpassed their maximum output level. This causes delays in processing outgoing mail. The Central Mail Bureau has marketed its services to the Department of Health and the Department of Highways, and both agencies came on line during the months of October and November, 1990. With the addition of these two agencies, mail volume has increased dramatically and will have an impact on our existing equipment.

PERSONNEL DIVISION

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
	38.00	38.00	38.00	.00	38.00	38.00	.00	38.00
Personal Services	1,009,894.00	1,123,144	1,119,007	4,955	1,123,962	1,118,189	4,948	1,123,137
Operating Expenses	1,185,669.04	318,069	1,385,115	-343,914	1,041,201	1,486,929	-400,353	1,086,576
Equipment	2,345.33	2,825	2,825	5,620	8,445	2,825	4,194	7,019
Benefits and Claims	24,558,171.64	32,154,431	36,000,000	200,000	36,200,000	43,200,000	200,000	43,400,000
Debt Service	1,806.75	0	0	0	0	0	0	0
Total Agency Costs	\$26,757,886.76	\$33,598,469	\$38,506,947	\$-133,339	\$38,373,608	\$45,807,943	\$-191,211	\$45,616,732
General Fund	859,427.48	954,282	954,969	509	955,478	955,699	-2,359	953,340
State Special Revenue Fund	0.00	0	0	10,000	10,000	0	10,000	10,000
Proprietary Fund	25,898,459.28	32,644,187	37,551,978	-143,848	37,408,130	44,852,244	-198,852	44,653,392
Total Funding Costs	\$26,757,886.76	\$33,598,469	\$38,506,947	\$-133,339	\$38,373,608	\$45,807,943	\$-191,211	\$45,616,732

OVERVIEW:

The staff of the State Personnel Division provide state agencies with a comprehensive program of personnel administration including: classification, collective bargaining and labor relations, group benefits plans, compensation plan and rules, deferred compensation, training, employee incentive awards, sick leave fund, equal employment and affirmative action, and health promotion. They publish state rules and policies dealing with recruitment, selection, discipline, grievance, performance appraisal, leave, affirmative action and other personnel related matters. They serve as staff to the Governor's Committee on the Employment of the Handicapped.

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	27.00	27.00	27.00	.00	27.00	27.00	.00	27.00
Personal Services	726,882.37	807,318	797,328	762	798,090	796,792	827	797,619
Operating Expenses	106,471.32	113,794	124,471	12,229	136,700	125,737	11,796	137,533
Equipment	215.84	625	625	5,000	5,625	625	2,500	3,125
Total Agency Costs	<u>\$833,569.53</u>	<u>\$921,737</u>	<u>\$922,424</u>	<u>\$17,991</u>	<u>\$940,415</u>	<u>\$923,154</u>	<u>\$15,123</u>	<u>\$938,277</u>
General Fund	832,910.72	921,737	922,424	-9	922,415	923,154	-2,877	920,277
State Special Revenue Fund	0.00	0	0	10,000	10,000	0	10,000	10,000
Proprietary Fund	658.81	0	0	8,000	8,000	0	8,000	8,000
Total Funding Costs	<u>\$833,569.53</u>	<u>\$921,737</u>	<u>\$922,424</u>	<u>\$17,991</u>	<u>\$940,415</u>	<u>\$923,154</u>	<u>\$15,123</u>	<u>\$938,277</u>

GOALS:

The purpose of the Personnel Division is to provide leadership and guidance that will enable the most productive and equitable use of the state's human resources. That purpose includes the following goals:

To maintain staff who are highly skilled in all aspects of public personnel administration by providing training, clear Division goals, work plans and timelines, written procedures and to exemplify all State personnel policies.

To insure ongoing review and improvement of State personnel practices and programs by: 1) maintaining an information network and obtaining comments from advisory councils, personnel officers, employees, organized labor representatives and all other affected parties on program performance and program plans, and 2) facilitating changes that are responsive to those comments.

To administer a fair and equitable classification system for all State employees by performing timely, thorough position reviews and ensuring

technically sound and understandable methods and procedures.

To provide minimum standards for all aspects of State personnel administration through current written State personnel policies. To insure those policies provide fair, consistent employment practices by the State as an employer while allowing flexibility for individual agency needs.

To provide professional, effective collective bargaining services to state agencies in accordance with Executive Order No. 12-81. To insure equal employment opportunity and affirmative action in State government for affected class groups by designing, monitoring and assisting state agencies implement programs that are thorough, realistic and effective.

AUTHORIZATIONS:

A. FEDERAL STATUTES, EXECUTIVE ORDERS AND GUIDELINES

1. United states constitution, article xiii, prohibition of slavery and involuntary servitude.
2. United states constitution, article xiv, due process
3. 42 (Usc) section 1981 (derived from the civil rights acts of 1866 and 1870)
4. 42 (Usc) section 1983 (civil rights act of 1871)
5. 42 (Usc) section 1985 (civil rights act of 1871)
6. Title vi of the civil rights act of 1964 (federally assisted programs)
7. Title vii of the civil rights act of 1964 (employment)
8. Equal pay act of 1963
9. Title ix of the education amendments of 1972
10. Executive order 11246, as amended (federal contractors)
11. Age discrimination in employment act, as amended 1978
12. Rehabilitation act of 1973
13. 29 Cfr 1613, eeo in the federal government (military affairs, army national guard, air national guard)
14. Eeoc uniform guidelines on employment selection procedures
15. Eeoc guidelines on discrimination because of national origin
16. Eeoc guidelines on discrimination because of religion
17. Eeoc guidelines on sex discrimination
18. Eeoc affirmative action guidelines
19. Fair Labor Standards Act of 1938, as amended
20. Drug Free Workplace Act of 1989

B. STATE STATUTES AND EXECUTIVE ORDERS

1. Title 49, human rights act, chapters 1 & 2
2. Title 49, montana code of fair practices
3. Title 49, montana maternity leave act
4. State constitution, declaration of rights article ii, section 4
5. Governor's executive order no. 24-81 (Eeo program)
6. Governor's executive order no. 7-82 (Sexual harassment)
7. Title 2, Chapter 18, State Employee Classification, Compensation and Benefits Part 1, General Provisions
Part 3, Compensation Determinatio
Part 6, Leave
8. 2-15-216, State Employee sick leave advisory council
9. 1-1-216, Holidays
10. 39-29-101 et seq., Veteran's Preference Act
11. 39-30-101 et seq., Handicapped Person's Preference Act
12. 39-31-101 et seq., Collective Bargaining for Public Employees
13. 39-29-901 et seq., Wrongful Discharge From Employment
14. 39-2-304, Lie Detector tests prohibited -- regulation of blood and urine testing
15. 10-1-604, Leave of Absence of public employees attending training camp or similar training program

BASE PROGRAM:

1. Classification of Jobs: All 13,500 positions in state government (except those specifically exempt by law) are defined, grouped into classes, and assigned grades for pay purposes. A small portion of this work is delegated to some agencies under supervision of the Personnel Division. Classification decisions may be appealed to the Board of Personnel Appeals and must be defended by the Personnel Division before that Board. The state has approximately 1100 job class specifications which must be reviewed and kept current. Classification methodology is researched and revised to stay modern.
2. Equal Employment Opportunity/Affirmative Action/Handicapped Programs: Court decisions have reaffirmed employers' responsibility and liability under these laws. State programs are designed to reduce the state's risk of employment discrimination charges and to insure defensibility practices. This includes training workshops and technical assistance inquiries are answered, with recent increased requests on sexual harassment prevention, immigration reform, and AIDS discrimination. Federally required statistics and analyses are collected and reported. Thirty-six agency affirmative action plans are reviewed and approved. Staff support is provided to the Governor's Committee on Employment of People with Disabilities, including a task force for hiring the severely disabled in state positions.
3. Personnel/Payroll/Position Control Automated System: We support the "personnel" portion of this state system.

Statistics and reports on workforce characteristics are generated.

4.

Collective Bargaining: We are designated as the state's representative in dealings with the state's 74 collective bargaining units. These units represent 5559 employees (52%) not including the University System. We negotiate contracts with each unit. We represent the State in administrative proceedings each year such as unit determinations, unit clarifications and grievance arbitrations.

5.

Personnel Policy Setting: Rules and policies are written and interpreted to keep state employment practices legal under new or changing state and federal laws and court rulings. Statewide personnel policies are adopted and implemented as minimum standards for the state as an employer in such areas as recruitment, selection, sick and annual leave use, performance appraisal, discipline handling, grievances, reduction in work force, sexual harassment prevention, and equal employment opportunity. Rules are developed to implement certain state programs such as Sick Leave Fund, veteran's/handicapped person's employment preference, and Wrongful Discharge From Employment Act. State policies are adopted or amended. Technical assistance inquiries are answered. Annual publications include research reports, policy drafts and rule notices. Issues of general personnel interest are updated in quarterly reports on the Sick Leave Fund, and formal interpretations of rules. Training sessions are presented. New agency policies are reviewed and approved. Research topics included AIDS, exit interviews, performance appraisal, drug free work place, employee charitable

campaign, immigration reform, absenteeism and video display terminal (VDT) use in workplace.

BASE FUNDING:

The appropriation for the Personnel Administration Program is derived solely from the General Fund.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Policy/EEO:				
Technical Assistance Inquiries	4,720	3,483	3,483	3,483
Presentations/Workshops	420	222	222	222
Reports/Research/Correspondence	610	341	341	341
Clerical:				
Wordprocessing documents	4,350	4,030	4,030	4,030
Receivables	1,330	2,000	2,000	2,000
Payables	1,020	1,240	1,240	1,240
Wellness reimbursements	290	300	300	300
Job inquiry letter responses	125	109	109	109
Collection Reports	120	96	96	96
M.O.M. Manuals (assembled & mailed)	40	80	80	80
Journal Vouchers	35	50	50	50
Classification:				
Position control documents processed	3,000	2,800	2,800	2,800
Classification actions	2,200	2,200	2,200	2,200
Class Reviews	30	30	30	30
New class specs	100	100	100	100
Appeals (step III & IV)	70	70	70	70
Automated system project	168	168	168	168
Labor Relations:				
Contracts negotiated	76	72	76	76
Administrative Proceedings	25	25	25	25
Technical assistance	650	650	650	650
Legal:				
Contested cases	34	34	34	34
Labor law research	10	10	10	10
Contracts devel. & compliance	110	110	110	110
Benefits appeals, TA, subrogation	200	200	200	200
Policy MAPA rules & TA	524	525	525	525

INCREASE OR DECREASE FROM BASE:

A) The personal services budget increased by \$762 in FY92 and \$827 in FY93. The change in FY92 resulted from salaries decreasing \$2,656, overtime increasing \$2,000, and added benefit costs of \$1,417. The change in FY93 resulted from salaries decreasing \$2,591, overtime increasing \$2,000, and added benefit costs of \$1,418. A change with control variable 270 in the funding of 2.0 FTE created the decrease in salaries due to an internal reorganization. The additional overtime is required to meet increased workload and peak loads of work that occur.

B) The operations budget increased by \$2,229 in FY92 and \$1,796 in FY93 based on the following factors. A modified request explained in (D) below for \$8,000 each fiscal year for an employee newspaper is included in this figure. Insurance & Bonds was reduced from the base by \$6,541 in FY92 and \$6,859 in FY93 because some of the cost was allocated to Architecture and Engineering Division who had a substantial liability loss. Data network service increased by \$227 in FY92 and \$280 in FY93 to fund the PC network for this division. Also, standardized inflation factors accounted for a \$543 increase in the FY92 budget and \$375 in the FY93 budget.

C) There was an increase of \$5,000 in FY92 and \$2,500 in FY93 in equipment to replace outdated computer equipment.

D) Employee Newsletter: This modified request

of \$8,000 each fiscal year in proprietary fund authority is for printing and postage costs involved in preparing and distributing an employee newsletter to 13,000 members of the Employee Benefit Plan. The newsletter will communicate complex group benefit issues, changes and options. The funding source is interest earnings from the proprietary employee benefits reserve fund. At least two newsletters will be distributed annually.

E) Combined Campaign: This special revenue authority of \$10,000 in each fiscal year is necessary to support the Annual State Employee Combined Campaign. Recent court cases have prohibited public employers from allowing single charitable federations from conducting charitable drives while excluding others. Rather than allow the disruption of numerous separate charitable drives, it has become necessary for public employers to coordinate one combined campaign. The federal government and most other state governments coordinate such campaigns.

The State of Montana began its State Employee Combined Campaign (SECC) in 1989. The State Personnel Division supports the campaign by providing a staff coordinator to the Employee Steering Committee and a small amount of operating expenses supporting the activities of the staff coordinator. The major expenses of campaign promotion are supported by funds from the participating charitable federations. This special revenue authority is necessary to effectively account for and disburse these funds in future campaigns.

PERSONNEL - EMPLOYEE BENEFITS PROGRAM

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993		Recommended	Base	Incr/Decr	Fiscal 1993 Incr/Decr	Recommended
			Base	Incr/Decr	Base	Incr/Decr					
	8.00	8.00	8.00	.00	8.00	.00	8.00	8.00	.00	.00	8.00
Personal Services	200,304.12	218,365	223,590	3,966	227,556		223,532	223,532	3,896	3,896	227,428
Operating Expenses	1,004,850.18	116,049	1,167,830	-363,908	803,922		1,267,689	1,267,689	-428,373	-428,373	839,316
Equipment	112.71	0	0	0	0		0	0	0	0	0
Benefits and Claims	24,558,171.64	32,154,431	36,000,000	200,000	36,200,000		43,200,000	43,200,000	200,000	200,000	43,400,000
Total Agency Costs	\$25,763,438.65	\$32,488,845	\$37,391,420	\$-159,942	\$37,231,478		\$44,691,221	\$44,691,221	\$-224,477	\$-224,477	\$44,466,744
General Fund	26,516.76	32,545	32,545	518	33,063		32,545	32,545	518	518	33,063
Proprietary Fund	25,736,921.89	32,456,300	37,358,875	-160,460	37,198,415		44,658,676	44,658,676	-224,995	-224,995	44,433,681
Total Funding Costs	\$25,763,438.65	\$32,488,845	\$37,391,420	\$-159,942	\$37,231,478		\$44,691,221	\$44,691,221	\$-224,477	\$-224,477	\$44,466,744

GOALS:

To provide State employees with adequate group hospitalization, health, medical, disability, life and other related group benefits in an efficient manner and at an affordable cost by administering a solvent, prudent benefit program.

To provide efficient, professional management of the State's compensation plan through clear, timely rules, technical assistance, and decisions to State agencies, including promotion of the State's deferred compensation plan and cash award program.

AUTHORIZATION:

2-18-301-315 MCA: Compensation Determination

2-18-701-704 MCA: Group Insurance Generally

2-18-810-816 MCA: State Group Insurance

2-18-1101-1106 MCA: Employee Incentive Program

19-2-101-206 MCA: Deferred Compensation

Section 457, IRC: Deferred Compensation (Internal Revenue Code)

BASE PROGRAM:

The Employee Benefits program administers the self-insured medical and dental plan which provide insurance for 10,270 employees, 210 former employees under COBRA, 1950 state retirees and 15,500 dependents. Self-insured claims totaled over \$21,000,000 during the 1988-1989 plan year. The program also administers the

fully insured life, AD & D, and organ transplant benefits with annual premiums of nearly \$2,000,000. The bureau also provides wellness programs and health screenings for all state employees and retirees. Administers the deferred compensation program in accordance with Internal Revenue Codes and state law.

Current participation of 5,990 with a current account balance of over \$61,000,000. The bureau writes and interprets rules for the administering the State's compensation system and the Employee Incentive Program. A salary survey to aide the state in establishing compensation levels and in collective bargaining is conducted.

BASE FUNDING:

The vast majority of the program funding is proprietary funding derived from interest generated by the reserve fund for the self-insured medical and dental plans. The costs associated with the deferred compensation plan are funded through deductions from the interest earned on the monies invested. The program has a small amount of general fund (\$32,545) which supports the compensation and incentive award activities. These activities cannot be supported by the reserve fund interest under current law.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Employee Benefits:				
Subscribers (M & D)	12,340	12,181	12,500	12,700
Enrollment changes	7,680	7,891	9,000	9,000
DC participants	5,950	5,602	6,100	6,250
Pay Exceptions	110	45	55	55
Incentive Awards Rec.	90	30	45	45
Insurance Appeals	255	145	250	250

STATUTORY APPROPRIATION:

The statutory appropriation in this program is authorized by 2-18-812, MCA. All deposits in the fund are to be expended for claims under the benefit plan. The deposits consist of all premiums paid to the state employee group premium plan, all reserve funds and all earned investment income. In FY92, \$36,850,000 and in FY93 \$44,100,000 is budgeted for Group Benefits Claims for all employees.

INCREASE OR DECREASE FROM BASE:

A) The personal services budget increased by \$3,966 in FY92 and \$3,896 in FY93. The change in FY92 resulted from salaries increasing \$2,656, overtime increasing \$400, and added benefits costs of \$910. The change in FY93 resulted from

salaries increasing \$2,591, overtime increasing \$400, and added benefits of \$905. A change with control variable 230 in the funding of 2.0 FTE created the decrease in salaries due to an internal reorganization. The additional overtime is required to meet peak loads of work to do the annual change period as required by IRS 125 for cafeteria plans.

B) Operations decreases from the base \$363,908 in FY92 and \$428,373 in FY93 based on the modified request explained below for funding of the Group Insurance Benefits System in the amount of \$34,000 in FY92 and \$19,000 in FY93, a reduction of \$400,000 in FY92 and \$450,000 in FY93 in the statutory appropriation as the organ transplant commercial insurance policy is being discontinued

effective FY91 and the following factors. Insurance & Bonds was reduced from the base by \$1,938 in FY92 and \$2,033 in FY93 because some of the cost was allocated to Architecture and Engineering Division who had a substantial liability loss. Consulting and Professional Services increased \$3,550 in FY92 and \$4,180 in FY93 because actuarial and audit fee contracts will have cost increases. Data network service increased by \$268 in FY92 and \$304 in FY93 to fund the PC network for this division. Also, standardized inflation factors account for a \$212 increase in the FY92 budget and \$176 in the FY93 budget.

C) Benefits and claims was increased \$200,000 in each fiscal year to cover the transfer of spending authority for the organ transplant benefit to the self-insurance fund.

C) Group Insurance Benefits: This modified request of \$34,000 in FY92 and \$19,000 in FY93 in Proprietary Fund authority is for system development and computer processing costs involved in putting state group insurance enrollment, benefit selection, and payroll deduction data on line on the state P/P/P system. This will increase insurance data accuracy and decrease the paperwork and time currently required to make changes in benefit elections, and verify eligibility for claims payment each month. The funding source is interest earnings from the proprietary employee benefits reserve fund.

PERSONNEL - TRAINING PROGRAM

61012380.982

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
	3.00	3.00	3.00	.00	3.00	3.00	.00	3.00
Personal Services	82,707.51	97,461	98,089	227	98,316	97,865	225	98,090
Operating Expenses	74,347.54	88,226	92,814	7,765	100,579	93,503	16,224	109,727
Equipment	2,016.78	2,200	2,200	620	2,820	2,200	1,694	3,894
Debt Service	1,806.75	0	0	0	0	0	0	0
Total Agency Costs	\$160,878.58	\$187,887	\$193,103	\$8,612	\$201,715	\$193,568	\$18,143	\$211,711
Proprietary Fund	160,878.58	187,887	193,103	8,612	201,715	193,568	18,143	211,711
Total Funding Costs	\$160,878.58	\$187,887	\$193,103	\$8,612	\$201,715	\$193,568	\$18,143	\$211,711

GOALS:

To improve State employees' management expertise by providing for professional, effective management training and resources. To provide appropriate, cost effective training that will meet the need of State managers for developing their staffs.

AUTHORIZATION:

- 2-18-102, MCA: Personnel Administration Leadership/Training
- 49-3-201, MCA: Code of Fair Practices - Orientation and Training Programs INTERGOVERNMENTAL TRAINING

BASE PROGRAM:

The State Training program (known as the

Professional Development Center or PDC) focuses on creating a better trained state work force, that is current on rapidly changing laws and technology. Special emphasis is on training the state's managers in risk prevention areas such as Sexual Harassment Prevention, Avoiding Wrongful Discharge, Handling Discipline Problems, Appraising Performance, AIDS in the Workplace, and Substance Abuse in the Workplace. Centralized training allows the state to take advantage of volume to provide training at lower costs than if each agency purchased training individually. In FY89, 175 classes or seminars were conducted for 3,555 participants.

BASE FUNDING:

100% Proprietary funding through fees collected from participants or their employing agency.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Training:				
Classes conducted	230	175	175	175
Participants	3,940	3,555	3,555	3,555
Classroom Hours	1,670	1,718	1,718	1,718

INCREASE OR DECREASE FROM BASE:

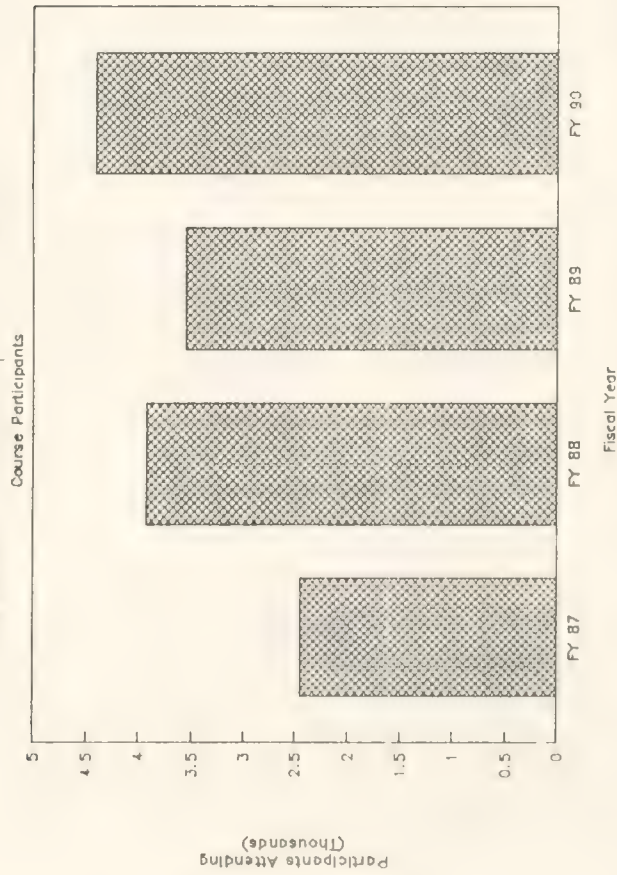
A) Personal services budget increased \$227 in FY92 and \$225 in FY93 for added benefit costs.

B) In operations, Insurance & Bonds was reduced from the base by \$727 in FY92 and \$762 in FY93 because some of the cost was allocated to Architecture and Engineering Division who had a substantial liability loss. The remainder of the increase (\$9,112 in FY92 and \$18,680 in FY93) is explained in the following modified request.

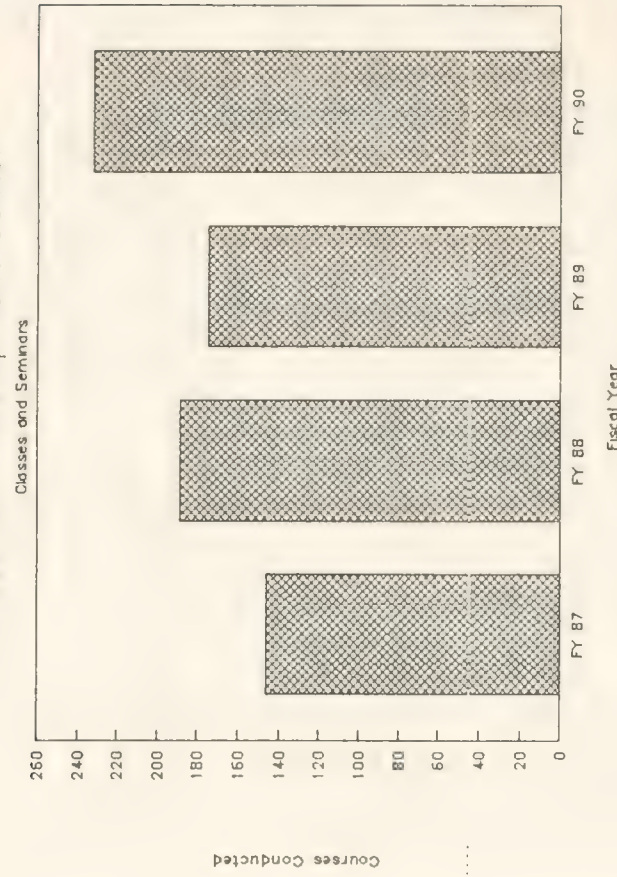
C) Professional Development Center: This modified request of \$9,112 in FY92 and \$18,680 in FY93 of increased proprietary fund authority is necessary to support increased activity in the Professional Development Center (PDC). The PDC provides training classes and seminars to state employees. The program is fully supported by fees for training. The PDC has experienced significant growth in the number of courses produced and in the number of participants (see the attached graphs) with no increase in FTE. The growth in activity is expected to continue through FY 92 and FY 93 by 10% per year.

(Graphs: PDCCLASS.PIC)
PDCPARTS.PIC)

Professional Development Center



Professional Development Center



TORT CLAIMS DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	10.50	10.50	10.50	.50	11.00	10.50	.50	11.00
Personal Services	299,174.23	356,199	338,638	13,206	351,844	338,405	13,179	351,584
Operating Expenses	1,548,325.55	1,554,621	1,653,530	997,976	2,651,506	1,710,046	997,646	2,707,692
Equipment	4,150.79	0	0	0	0	0	0	0
Benefits and Claims	1,483,439.43	3,000,000	3,000,000	0	3,000,000	3,000,000	0	3,000,000
Transfers	1,181,097.00	1,151,995	0	0	0	0	0	0
Total Agency Costs	\$4,516,187.00	\$6,062,815	\$4,992,168	\$1,011,182	\$6,003,350	\$5,048,451	\$1,010,825	\$6,059,276
State Special Revenue Fund	60,959.70	500,000	500,000	0	500,000	500,000	0	500,000
Proprietary Fund	4,455,227.30	5,562,815	4,492,168	1,011,182	5,503,350	4,548,451	1,010,825	5,559,276
Total Funding Costs	\$4,516,187.00	\$6,062,815	\$4,992,168	\$1,011,182	\$6,003,350	\$5,048,451	\$1,010,825	\$6,059,276

OVERVIEW:

The Tort Claims Division provides for the investigation, defense, and payment of bodily injury and property damage claims by all agencies, officers, and employees of the State of Montana under Article II, Section 18 of the Montana constitution, and the Montana Tort Claims Act. The division includes risk management services and provides either commercial or self insurance protection for property or casualty losses to state owned buildings and contents, equipment, boilers, aircraft, fine arts, cash and securities and employee honesty bonding.

GOALS:

It is the goal of the Tort Claims Division to competently defend all state agencies by

identifying as quickly as possible legal cases in which allegations seem meritorious, to resolve those cases, and to prepare for trial the remaining cases that are without merit. That goal and objective is measurable in individual cases by examining the effectiveness of the tactics and strategies employed.

Further it is the goal of the Tort Claims Division to efficiently manage insurance claims filed against the state and to provide the State of Montana with a cost effective risk management program. It is the Division's objective to provide adequate property, casualty and liability coverage for state agencies either through commercial or self insurance programs.

AUTHORIZATION:

Article II, Section 18 of the Montana constitution - State subject to suit: The state, counties, cities, towns, and all local governmental entities shall have no immunity from suit for injury to a person or property, except as may be specifically provided by law by a 2/3 vote of each house of the legislature.

Section 2-9-201 MCA Comprehensive Insurance Plan for State: states the department of administration is responsible for the acquisition and administration of all insurance purchased for protection of the state, as defined in MCA 2-9-101.

Section 2-9-301 MCA Filing of Claims against state and political subdivisions: The governmental entity employer shall defend the action on behalf of the employee and indemnify the employee. All claims against the state must be presented in writing to the Department of Administration.

BASE PROGRAM:

The Tort Claims Division of the Department of Administration defends the State against tort actions and provides insurance protection for state government. The division investigates claims, defends lawsuits, pays property damage and bodily injury claims of state agencies, officers, and employees of the State of Montana under Article II, Section 18 of the Montana constitution and the Montana Tort Claims Act. The division accounts for its self-insurance fund

and provides risk management services to agencies.

A major objective of the division is to aggressively defend state government against lawsuits and to serve the respective agencies in resolving claims. Another objective is to properly account for the self-insurance fund and to mitigate potential losses.

Presently, the division employs 11.00 FTE to carry out the objectives of the organization. These positions include the administrator/chief defense counsel, three attorneys, two legal investigators, an assistant administrator/risk manager, an accountant/claims supervisor, an administrative secretary and two administrative assistants.

Because of a very heavy claims and legal workload the division is not able to defend all lawsuits and process all claims in-house. As necessary the division contracts with the Attorney General's Agency Legal Services Bureau, private law firms and adjusting firms to meet workload demands.

BASE FUNDING:

Funding is provided from premiums charged to agencies for insurance coverage provided through the self-insurance fund and commercial policies and from interest earnings on fund assets invested with the Board of Investments.

Performance Indicators

It is impossible to project the number of lawsuits that will be filed against the state in any given year. A summary of the general liability claims filed in the past five year and FY90 actual is as follows:

FY85	FY86	FY87	FY88	FY89	FY90
114	189	195	180	207	232
General Liability Claims					
			FY90 Actual	FY91 Enacted	FY92 Base
			232	232	232
			460	475	500
					FY93 Base
					232
					500

PERFORMANCE INDICATORS

It should be noted that cases may be filed within a period of three years from the date of occurrence. This means that additional cases can still be filed for claims from FY88 through FY90. For purposes of budgeting performance indicators we project 225 general liability claim in FY90.

Total claims include general liability, property and automobile incidents filed with the Tort Claims Division. These claims may or may not evolve into lawsuits. Based upon current activity the Tort Claims Division projects 450 total claims will be resolved in FY90 FY91, and FY92 as performance indicators. Documentation is

attached showing the basis of this estimate and indication of performance.

STATUTORY APPROPRIATIONS

There are two statutory appropriations in this program:

- 1) Each fiscal year, a total of \$2,500,000 is budgeted for CLAIMS & BENEFITS. This insurance program includes all claims within the State that come under general liability, liquor store losses, automobile liability, and property damage to state buildings. This is authorized under 2-9-202, MCA.

2) Each fiscal year, a total of \$500,000 is budgeted for INSURANCE PROCEEDS-STATE BUILDINGS. This statutory appropriation provides the authority to repair or replace damaged property. All funds received by the State as indemnification for damage to state buildings are used to offset the cost of damage to state property. This is authorized under 2-17-105, MCA.

INCREASE OR DECREASE FROM BASE

A) The personal services budget increased each year by \$1,546 for additional overtime needed for handling of cases during peak periods. Added benefit costs of \$780 in FY92 and \$775 in FY93 was the remainder of the increase for personal services. The balance of the personal services increase of \$10,880 in FY92 and \$10,858 in FY93 is explained in the modified request (C) listed below.

B) In operations, Insurance & Bonds was reduced from the base by \$2,543 in FY92 and \$2,668 in FY93 because some of the cost was allocated to Architecture and Engineering Division who had a substantial liability loss. Data network service increase by \$519 in FY92 and \$314 in FY93 to fund the PC network for this division. The balance of the increase in operations is explained in the modified request (D) listed below.

C) Clerical Support: This modified request is for \$10,865 in FY92 and \$10,844 in FY93 in proprietary fund authority and .50 FTE.

Presently the Tort Claims Division is budgeted for 10.5 FTE but has 11 employees. The incumbent of position #5012 was a full time position prior to FY89. It became a half-time position at the request of the incumbent at that time. However, when the incumbent resigned in FY89 there was a vital need to restore the position to full time status. This has been accomplished each year thereafter by requesting approval for the other half of the position via operational plan adjustment. It is important to properly budget for this position which has actually functioned in a full-time capacity for two years.

This key position provides all clerical support for the processing of approximately 500 liability and property claims filed against the State each year. This office also has 113 open lawsuits filed against the State. The incumbent performs total clerical functions including maintaining a crucial electronic claims log, supplies statistical information, creates proper claim files, reviews claims, designs forms, composes correspondence, reviews billings from adjusters, and numerous related tasks in assuring that such a heavy claims workload has proper processing.

The position also provides essential support as a legal secretary. This entails skilled processing of legal documents, scheduling meetings for trials, depositions, and other meetings. The incumbent of this position also serves as the key backup to the Administrative Secretary. This is a very busy position that is absolutely imperative to budget in a full time capacity. Contracting for such expertise is

neither a viable option nor is it economically sensible.

D) Contract Legal and Adjuster Services: This modified request is for \$1,000,000 each fiscal year of proprietary fund authority from the self-insurance fund. The Tort Claims Division is committed to a vigorous defense of actions against the state. The division presently has 114 lawsuits and 102 other claims pending against the state. There are presently three staff attorneys in the division. These attorneys defend as many lawsuits as they possibly can. The division then contracts with the AG's office and outside legal counsel for the remainder of the cases. Presently there are 89 lawsuits being defended by outside legal counsel. This counsel is essential in our objective to win lawsuits. It costs money to defend these lawsuits. Fortunately the division has been very successful in most of its defense efforts and the savings to the state has been tremendous.

It is not possible for the division to predict the number of lawsuits that will be filed against the state in any given year. A summary of the general liability claims filed in the past few years is: FY85 - 114; FY86 - 189; FY87 - 195; FY88 - 180; FY89 - 207; FY90 - 232.

The funds for outside legal counsel has been appropriated in the operations budget and is expended in contracted services. Since FY88 the actual expenditures have exceeded budgeted level, and additional budget amendment authority was requested and approved. In FY89 Tort Claims was

budgeted \$417,211 and additional budget amendment authority of \$1,079,000 was approved for a total appropriation authority of \$1,496,211. The actual expenditures for FY89 were \$1,456,937.

STATE TAX APPEAL BOARD

61013700.000

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
	11.00	11.00	11.00	-.50	10.50	11.00	-.50	10.50
Personal Services	234,025.35	341,774	352,486	-9,673	342,813	351,811	-9,655	342,156
Operating Expenses	60,566.16	94,152	102,386	-2,465	99,921	102,819	-2,688	100,131
Equipment	15,212.86	0	0	0	0	0	0	0
Local Assistance	2,875.83	0	0	0	0	0	0	0
Total Agency Costs	\$312,680.20	\$435,926	\$454,872	\$-12,138	\$442,734	\$454,630	\$-12,343	\$442,287
General Fund	312,680.20	435,926	454,872	-12,138	442,734	454,630	-12,343	442,287
Total Funding Costs	\$312,680.20	\$435,926	\$454,872	\$-12,138	\$442,734	\$454,630	\$-12,343	\$442,287

OVERVIEW

The State Tax Appeal Board was established by Article VIII, Section 7, of the Montana Constitution and by Section 15-2-101 of the Montana Code Annotated to provide a tax appeal system for specified actions of the Department of Revenue. It hears appeals from decisions of the 56 county tax appeal boards and takes original jurisdiction in matters involving income taxes (Section 15-30-147, MCA); corporate taxes (Section 15-31-532, MCA); and severance taxes, centrally assessed property, and new industry (Section 15-2-302, MCA). The board travels throughout the state to hear appeals from decisions of the county tax appeal boards. The State Tax Appeal Board conducts informational meetings on a district basis for the various county tax appeal boards. The State Tax Appeal Board directs the 56 county tax appeal board secretaries and pays their salaries and employee

benefits from its personal services appropriation. The State Tax Appeal Board pays a per-meeting honorarium, including mileage reimbursement and meals, to the 168 county tax appeal board members and pays the related clerical expenses for each board, i.e., office supplies, postage, copies, long distance telephone charges, etc., but excluding office equipment.

The State Tax Appeal Board is composed of three members who are appointed by the Governor and confirmed by the Senate. The Board employs 3.50 FTE support staff. The administrative officer, office manager and administrative secretary are based in Helena. The board members and the administrative officer direct the county tax appeal board secretary residing in each of the 56 counties. The 168 county tax appeal board

members (one three-member board per county) are appointed by their county commission. The State Tax Appeal Board pays county board salaries, honorariums and related expenses, excluding equipment, from its personal services and operating appropriations.

The county tax appeal boards receive appeals from taxpayers who are dissatisfied with the Department of Revenue's appraisal of their residential or commercial real and/or personal property. Upon review by the county tax appeal board, the taxpayer may appeal his appraisal to the State Tax Appeal Board. The State Tax Appeal Board also takes original jurisdiction in matters involving income, corporate, natural resource taxes, including oil and gas severance and motor fuels tax; centrally assessed property, including the beneficial use tax, and new industry classification, as discussed above.

GOALS

Since the inception of this board, its primary goal has been the timely resolution of tax appeals. Toward that end, the board has consistently sought to maintain conscientious and thorough methods of review in the face of tremendous appeal loads and inadequate support staff personnel.

AUTHORIZATION

Article VIII, Section 7, Montana Constitution
The legislature shall provide independent

appeal procedures for taxpayer grievances about appraisals, assessments, equalization, and taxes. The legislature shall include a review procedure at the local government unit level.

15-2-101, MCA: On July 1, 1973, there shall be created a state tax appeal board which shall be composed of three members to be appointed by the governor for staggered terms by and with the advice of the senate. . .

BASE PROGRAM

For obvious reasons, the tax appeal system at state as well as the county level, is directly impacted by any legislation affecting taxation matters. Since the majority of the appeals filed with this board concern real and/or personal residential and commercial property, this board has seen a direct effect upon its workload and, therefore, its appropriation needs, with the implementation of the Department of Revenue's statewide reappraisal of property. On January 1, 1986, the Department of Revenue instituted its five-year reappraisal cycle based upon January 1, 1982 values. This reappraisal triggered some 15,000 appeals statewide with approximately 5,000 coming on to this board. These appeals were filed in their greatest volume during the beginning three years of this reappraisal cycle, i.e, 1986, 1987 and, to a lesser extent, 1988. Those taxpayers who were dissatisfied with the new appraisal of their property filed soon after

receiving their reassessment notices from the Department of Revenue. The county boards and this board labored under the staggering workload and managed to resolve these filings, for the most part, within three years of the implementation of the 1986 reappraisal cycle. We have seen a decrease in the number of filings in these last few years of the reappraisal cycle, presumably because the "disgruntled" taxpayers have aired their grievances through some level of the appeal process, and under the provisions of Section 2.51.307 and 2.51.402 of the Administrative Rules of Montana, cannot appeal the same property's valuation in the same reappraisal cycle, unless certain extenuating circumstances are present. The 1986 reappraisal cycle brought about an increased awareness of the tax appeal system and seemed to spawn a new "industry": the property tax agent business, or a consultant who may be hired by a taxpayer to represent him at tax appeal hearings. For this reason, we will never see the number of tax appeal filings decrease to the level experienced prior to the 1986 reappraisal cycle.

We do not expect the appeal load to increase significantly beyond that experienced during FY90-91 as we are approaching an appeal season which can by accounts be viewed as "typical."

However, HB703, passed by the 1989 Legislature, which mandated the Department of Revenue to conduct a stratified sales assessment ratio study of all residential land and improvements, agricultural 1-acre homesites and improvements, and commercial land and improvements for tax year

1990 and each tax year thereafter, in combination with the appeals expected from those counties where the school funding mill levy causes an overall millage increase from previous years, may give rise to an unprecedented number of appeals.

If just ten percent (a conservative estimate!) of the property owners in the seven counties where property values are expected to increase significantly appeal, we will see 14,150 appeals from those seven counties alone.

We wish to emphasize that should HB703 generate a flood of appeals, we will seek the required additional funding to resolve these appeals through a supplemental appropriation request.

We expect that our program, barring HB703's effect, will be adequately funded with appropriation authorized by the legislature for FY91.

The State Tax Appeal Board, as well as the 56 county tax appeal boards funded by this board, has as its primary objective that which has been legislatively mandated: to provide a system of tax appeal for all decisions of the Department of Revenue. The board strives to attain that end in a timely, conscientious and cost effective manner.

BASE FUNDING

The appropriation for the State Tax Appeal Board is derived solely from the general fund.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Workload Measure				
Appeals received (at county level)	2,197	1,200	1,400	1,400
Appeals received (at state level)	331	500	600	600
Hearings held (at state level)	288	500	600	600
Appeals resolved (at county level)	1,942	1,200	1,400	1,400
Appeals resolved (at state level)	4,580	500	600	600
Number of counties visited to hear appeals	41	30	30	30
District court appeals transmitted*	130	24	24	24
Transcripts prepared**	75	525	525	525

*This number reflects the processing of appeals from prior years arising from the "manual disparity cases" which have been pending before this Board awaiting district court action.
 **This is a measurement of the decisions of this Board which were appealed to district court. (96 of these appeals involved one taxpayer with multiple properties.)

INCREASE OR DECREASE FROM BASE:

A) The elimination of an .5 FTE which was transferred to the Central Mail Program caused the personal services budget to decrease by \$9,673 in FY92 and \$9,655 in FY93.

B) In operations, Insurance & Bonds was reduced from the base by \$2,665 in FY92 and \$2,795 in FY93 because some of the cost was allocated to Architecture and Engineering Division who had a substantial liability loss. Data network service increases by \$128 in FY92 and \$77 in FY93 to fund the PC network for this division. Inflation added an additional increase in the base of \$72 in FY92 and \$30 in FY93.



STATE COMPENSATION MUTUAL INSURANCE FUND

**FY 92 AND FY 93
BUDGET NARRATIVE**

State Compensation Mutual Insurance Fund

Agency: STATE COMPENSATION MUTUAL INSURANCE FUND

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State Compensation Mutual Insurance Fund

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Fiscal 1992 ----- Incr/Decr	----- Fiscal 1993 ----- Incr/Decr	Recommended	Base	Recommended
Full Time Equivalent Employees	94.18	185.25	175.50	41.40	216.90	175.50	40.40
							215.90
Personal Services	4,097,542.83	4,535,820	4,407,796	1,128,386	5,536,182	4,401,634	1,105,310
Operating Expenses	3,161,827.25	2,903,590	3,908,634	-106,256	3,802,378	3,981,159	-232,482
Equipment	136,599.96	72,671	72,671	116,222	188,893	72,671	54,467
Benefits and Claims	39,876,563.27	15,518,000	110,953,000	0	110,953,000	118,060,000	0
Transfers	13,938,285.61	332,970	3,155,032	-213,331	2,941,701	3,178,269	-219,215
Total Agency Costs	\$61,210,778.92	\$23,363,051	\$122,497,133	\$925,021	\$123,422,154	\$129,693,733	\$708,080
							\$130,401,813
State Special Revenue Fund	16,092,029.76	62,196	61,585	-35,015	26,570	60,739	-60,739
Federal Special Revenue Fund	314,648.62	0	0	0	0	0	0
Proprietary Fund	44,804,100.54	23,300,855	122,435,548	960,036	123,395,584	129,632,994	768,819
Total Funding Costs	\$61,210,778.92	\$23,363,051	\$122,497,133	\$925,021	\$123,422,154	\$129,693,733	\$708,080
							\$130,401,813

Mission and General Description

It is the intent and purpose of the State Compensation Mutual Insurance Fund to allow employers the option to insure their liability for workers' compensation and occupational disease coverage with a nonprofit, independent public corporation. The State Fund is required to insure any employer in this state requesting coverage, and it may not refuse coverage for an employer unless an assigned risk plan is established under Section 39-71-431, MCA, and is in effect. The State Fund must be neither more nor less than self-supporting. Premium rates must be set at a level sufficient to fund the insurance program, including the costs of administration, benefits, and adequate reserves. For the purpose of keeping the state fund solvent, it must implement variable pricing levels within individual rate classifications to reward an employer with a good safety record and penalize an employer with a poor safety record.

Section 39-71-2313, MCA, created the State Compensation Mutual Insurance Fund as a nonprofit, independent public corporation effective January 1, 1990. The State Fund exists as a domestic mutual insurer as defined in Section 33-3-102, MCA, and is controlled by the laws relating to the regulation of domestic mutual insurers in this state, with some exceptions. The commissioner of insurance may not terminate the operations of the State Fund based on insolvency due to the unfunded liability that existed on the date of creation of the Fund.

The management and control of the State Fund is vested solely in the Board of Directors. The Board is vested with full power, authority, and jurisdiction over the State Fund. The Board may perform all acts necessary or convenient in the exercise of any power, authority, or jurisdiction over the State Fund, either in the administration of the Fund or in connection with the insurance business to be carried on, as fully and completely as the governing body of a private mutual insurance carrier.

Statutorily, the State Fund may:

- (1) Insure any employer for workers' compensation and occupational disease liability as the coverage is required by the laws of this state and, in connection with the coverage, provide employers' liability insurance. The State Fund may charge a minimum yearly premium to cover its administrative costs for coverage of a small employer.
- (2) Sue and be sued;
- (3) Adopt, amend, and repeal rules relating to the conduct of its business;
- (4) Enter into contracts relating to the administration of the State Fund, including claims management, servicing, and payment;
- (5) Collect and disburse money received;

- (6) Adopt classifications and charge premiums for the classifications so the State Fund will be neither more nor less than self-supporting. The State Fund must belong to the National Council on Compensation Insurance and shall use the classifications of employment adopted by the National Council and corresponding rates as a basis for setting its own rates.
- (7) Pay the amounts determined due under a policy of insurance issued by the State Fund;
- (8) Hire personnel;
- (9) Declare dividends if there is an excess of assets over liabilities. However, dividends may not be paid until the unfunded liability of the State Fund is eliminated and adequate actuarially determined reserves are determined.
- (10) Perform all functions and exercise all powers of a domestic mutual insurer that are necessary, appropriate, or convenient for the administration of the State Fund.

The State Fund Executive Director, appointed by the Board of Directors, has general responsibility for the operations of the State Fund. The Executive Director hires the management staff, each of whom serves at the pleasure of the Executive Director.

The State Fund consists of the President's Office, Benefits Department, Underwriting Department, Legal Department, and Administration & Finance Department. All departments are combined into one entity for budget purposes.

The President's Office provides policy formulation and program direction for each of the Fund's departments, and provides personnel and data processing support. The Benefits Department provides for the administration of workers' compensation benefits to injured workers. This involves the timely delivery of various benefits; i.e., medical, temporary total disability, permanent partial, permanent total, death, and rehabilitation. The Underwriting Department determines premium rates, assigns classification codes, responds to policyholder inquiries, markets State Fund insurance products, provides loss prevention consulting and assistance to State Fund insureds, and reviews policyholder reports to ensure accurate payroll reporting and premium payment. The Legal Department defends and represents the State Fund in mediation conferences and hearings before the Department of Labor,

Workers' Compensation Court and the Supreme Court. The Legal Department also provides legal opinions and advice to the President's Office and other departments. The Administration & Finance Department provides general support in the areas of mail processing and identification, accounting, payroll support, budgeting, receptionist services, and general services.

The State Fund administered the 0.3% employer tax during the 1990-1991 biennium. The payroll tax was scheduled to sunset on June 30, 1991. The 1990 Special Session of the Legislature changed the tax rate to 0.28% and transferred responsibility for administering the tax to the Department of Revenue effective July 1, 1991.

GOALS

The State Fund will endeavor to provide workers' compensation coverage and pay the statutorily required benefits at the lowest possible cost and still maintain a financially and actuarially sound Fund.

AUTHORIZATION

Section 39-71-2313, MCA, created the State Fund. Subsequent sections in Title 39, Chapter 71, define the duties and responsibilities of the State Fund.

BASE PROGRAM OBJECTIVES

Under base funding, it is the objective of the President's Office to:

- (1) Maintain the State Compensation Mutual Insurance Fund (State Fund) on a sound actuarial and financial basis.
- (2) Provide proper program direction to all departments to assure compliance with the various statutory requirements.
- (3) Implement policies which will increase the efficiency and effectiveness of the services provided State Fund policyholders and their employees.
- (4) Maintain or hire highly qualified staff members in all areas, most specifically in claims, marketing, data processing, and underwriting.
- (5) Advise and inform the Board of Directors of all matters of significance regarding the operation of the State Fund and to fully implement all

directives adopted by the Board.

- (6) Provide daily computer operations, input and output control, and systems management and security services to the agency.
- (7) Provide systems user support, systems training, and project management services to the agency.
- (8) Provide liaison services between agency users and systems development contractors.
- (9) Provide systems analysis and computer programming services to the agency.
- (10) Provide management information reporting services to the agency.

Under base funding, it is the objective of the Benefits Department to:

- (1) Continue the current reserving practice of reviewing reserves twice annually.
- (2) Continue the present supervisory ratio of 1:9.
- (3) Maintain current coverage case load per examiner.
- (4) Maintain current average number of settlements per month.
- (5) Maintain current average rehabilitation costs per case.
- (6) Maintain present monthly average of processing mail.
- (7) Maintain present number of monthly reserve evaluations.
- (8) Maintain current monthly average value of settlements.
- (9) Maintain current number of closed rehabilitation cases per month.

Under base funding, it is the objective of the Underwriting Department to:

- (1) Continue to develop and implement the Safety Incentive Program which

provides up-front discounts to employers who implement an approved safety program.

- (2) Market the State Fund products in order to attract the more desirable risks.
- (3) Audit State Fund policyholders to assure correct payroll reporting and premium payments.
- (4) Enroll and maintain the State Fund policies (approximately 27,000).

Under base funding, it is the objective of the Legal Department to:

- (1) Provide the State Fund defense and representation in all mediation conferences where the claimant is represented by an attorney.
- (2) Provide the State Fund defense and representation in all administrative hearings before the Department of Labor.
- (3) Provide the State Fund defense and representation in the Workers' Compensation Court and the Supreme Court as workload allows.
- (4) Provide the President's Office and the other vice-presidential departments with legal opinions as requested, legal advice and interpretation of court decisions.
- (5) Monitor outside defense counsel.
- (6) Review and intervene in subrogation and bankruptcy matters.

Under base funding, it is the objective of the Administration & Finance Department to:

- (1) Process all incoming and outgoing mail on a daily basis.
- (2) Provide all accounting services for the State Fund including:
 - (a) Payment of administrative bills within 30 days of receipt.
 - (b) Payment of medical bills within 30 days of receipt.

- (c) Deposit of premium payments within 24 hours of receipt.
- (d) Reconciliation of all accounts on a monthly basis.
- (e) Process administrative payroll on a bi-weekly basis.
- (f) Process employer payrolls within one week of receipt.
- (g) Refer uncollectible accounts to the State Auditor for collection within 90 days of receipt of all information from employer.
- (3) Maintain the building, building systems, and grounds to prevent an interruption in work flow.
- (4) Maintain at all times an adequate inventory of forms and supplies.

BASE FUNDING

The activities of the State Fund are accounted for in the Enterprise Fund effective January 1, 1990. In the past, the State Special Revenue and Expendable Trust Funds were utilized.

Funding comes primarily from employer insurance premiums, with supplemental funding from investment earnings and miscellaneous fees.

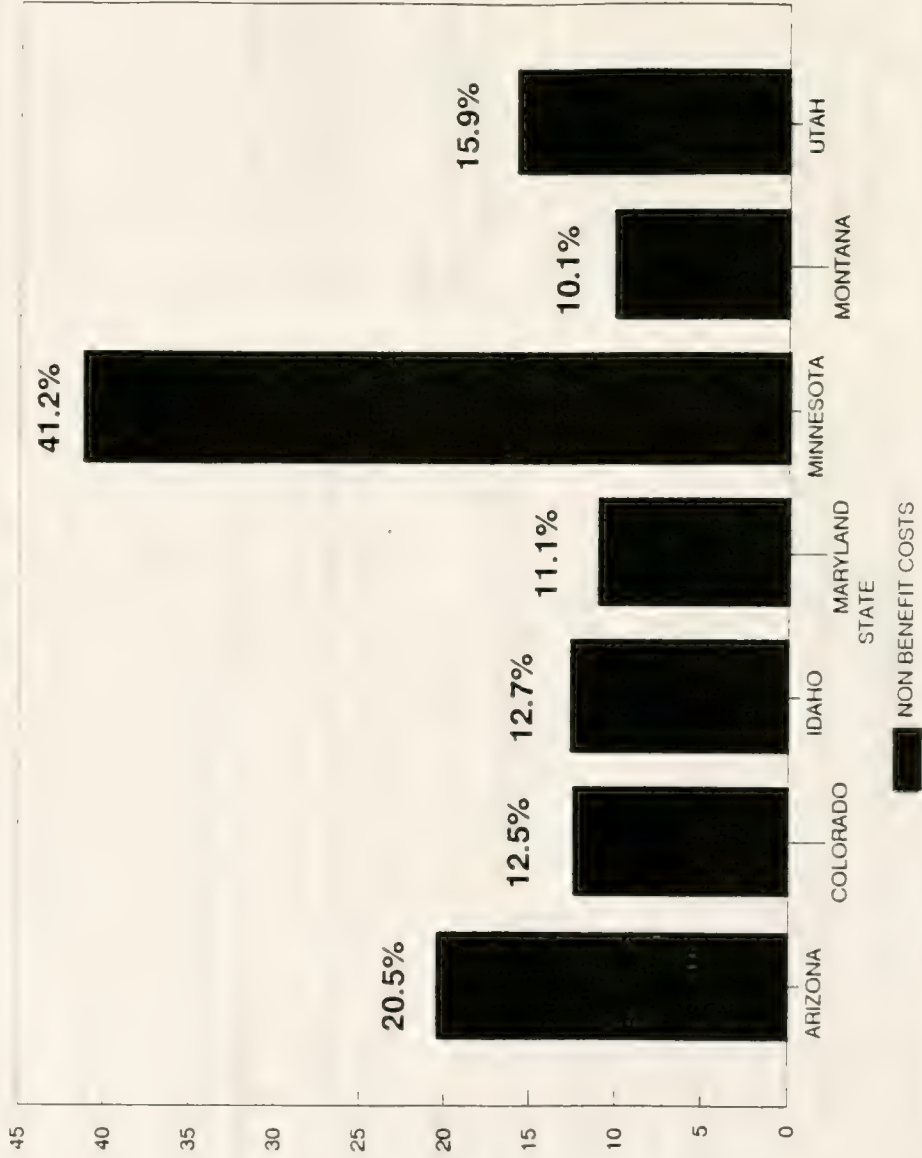
GRAPH SUMMARY

The graphs presented on pages 6, 7, and 8 are used to compare the State Fund with similar State Funds in both the Intermountain West and across the country. The graph on page 6, Non Benefit Costs vs Earned Premium, illustrates the percentage of earned premium of the various State Funds that is applied toward non benefit costs. Note that Montana has the lowest percentage of these costs per earned premium of the seven states listed. It is also important to note that included in the State Fund's non benefit costs are transfer payments to three state agencies: the Department of Social and Rehabilitative Services for rehabilitation assessments and rehabilitation panels; the Department of Justice for fraud investigations; and the Department of Labor and Industry for regulatory functions. The transfer payments to these three agencies exceed \$2 million each year.

The graph on page 7, Policies Per Employee By State shows that Montana's State Fund has the second highest number of policies per employee of the seven states listed.

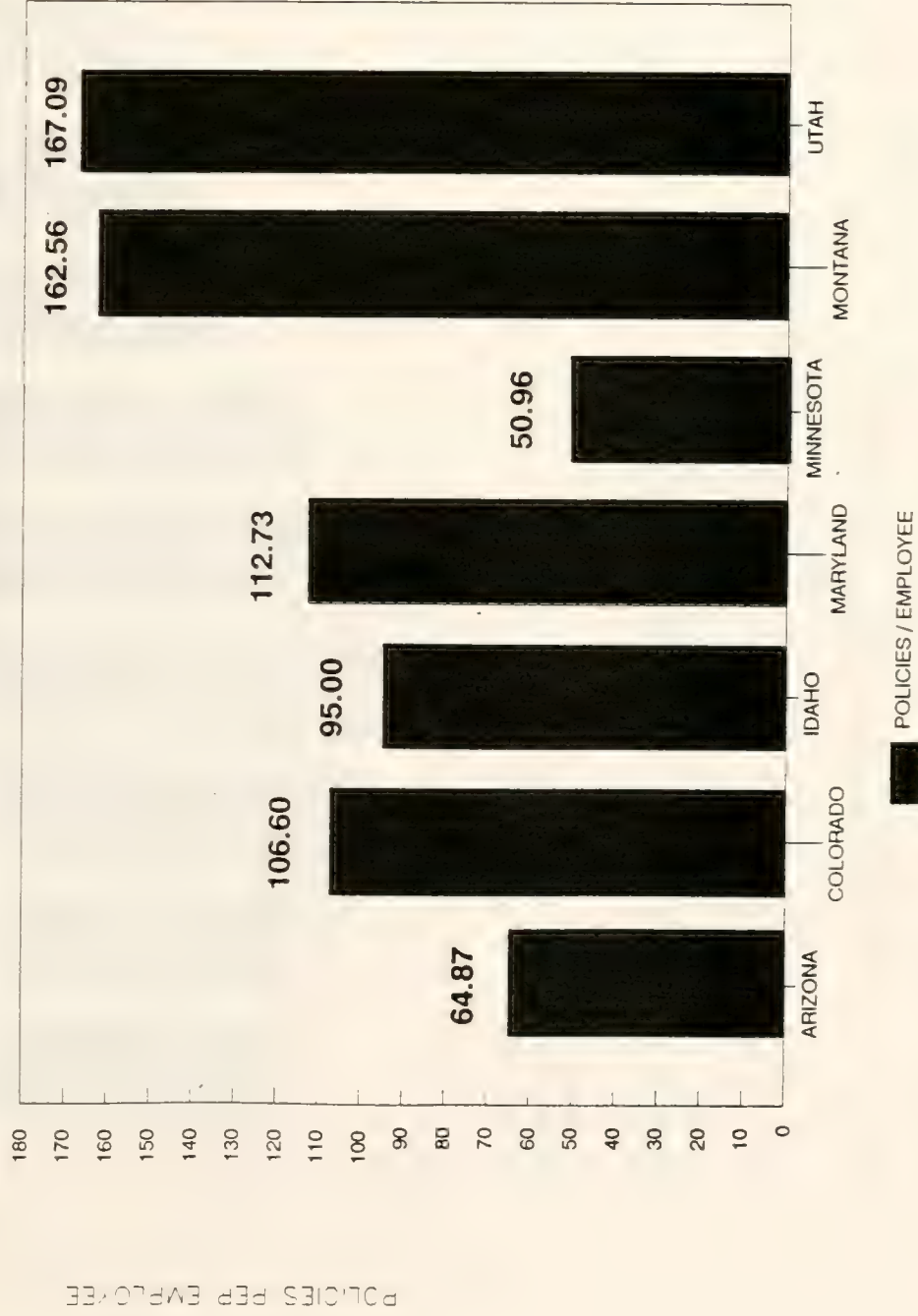
The graph on page 8, Caseload Per Examiner, illustrates the fact that the State Fund's examiner caseload is well above the industry standard of 200 to 250. The proposed caseload of 295 in FY'92 assumes the approval of the State Fund's request for an additional 14 claims examiners.

NON BENEFIT COSTS vs EARNED PREMIUM



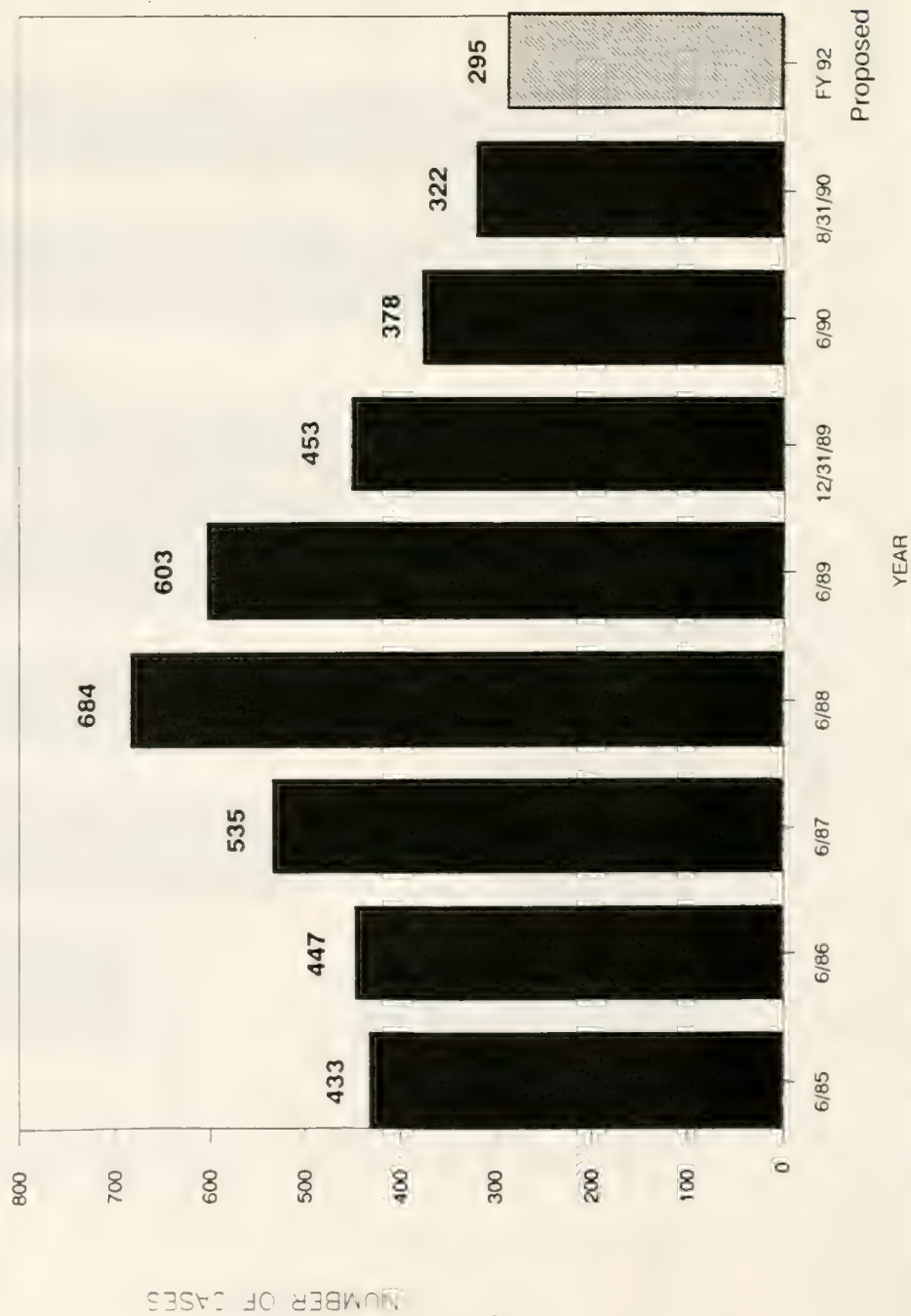
The non benefit costs of the Montana State Compensation Mutual Insurance Fund as compared as a percentage of paid earned premium is lower than similar states for the fiscal year ending June 30, 1989.

POLICIES PER EMPLOYEE BY STATE



The number of policies per employee of the Montana State Compensation Mutual Insurance Fund is significantly higher than similar states for the fiscal year ending June 30, 1989.

CASELOAD PER EXAMINER



The number of cases handled by each claims examiner is proposed to be further reduced to provide higher quality case management and closer to the industry standard of 200 to 250 per claims examiner.

PERFORMANCE INDICATORS

President's Office

- (1) The overall measurement of the objectives cited above will be through the specific performance indicators in each Department; i.e., reduced claims load, increased employer contact, etc.
- (2) An actuarial review will be obtained each year and a report issued stating the financial and actuarial status of the Fund.
- (3) Rates will be reviewed and analyzed each year to assure the rates are not inadequate, excessive, nor discriminatory.
- (4) Salary surveys and reviews will be conducted or obtained at least every two years, and staff salaries adjusted subject to budget limitations adopted by the Board of Directors and negotiations with the bargaining unit.
- (5) The President and vice-presidents will prepare the appropriate reports to be presented at every regular meeting of the Board.
- (6) Computer systems will be fully operational every working day from the hours of 8:00 a.m. to 5:00 p.m. Systems down time will not last longer than two hours.
- (7) Computer-generated output will be routed daily before noon. Daily submissions for host nighttime processing will be accomplished by 4:00 p.m. with no errors.
- (8) User questions and problems will be resolved within four hours of contact.
- (9) Systems projects will be completed according to management guidelines, within cost estimates and on schedule.
- (10) Management information reports are correct, meet managers' needs, and are generated according to guidelines.

Benefits Department

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
Average case load per adjuster/supervisor*	464	464	464	464
Average pieces of mail processed per month	57,115	57,115	57,115	57,115
Average number of reserve evaluations per month	1,901	1,901	1,901	1,901
Average settlements and lump sums per month	185	185	185	185
Average rehabilitation cost per case - new act	\$1,426	\$1,426	\$1,426	\$1,426
Average number of rehabilitation cases (old and new act) closed per month	118	118	118	118
Average monthly total of permanent partial disability settlements	\$1,689,297	\$1,689,297	\$1,689,297	\$1,689,297

* Average does not include claims examiners added through budget amendment.

Underwriting Department

Certify new employers under Safety Incentive Program	52	52	52	52
Recertify, at the end of the first year, all program participants within 30 days of due date	52	52	52	52
Personally contact and present quotes to large potential customers	75	300	300	300
Through mailings and telemarketing, contact medium-to-large potential customers	20	720	720	720
Perform or contract for two-year comprehensive audits	1,200	1,200	1,200	1,200
Bill initial deposits for new enrollments within 14 days of application receipt date	2,940	2,940	2,940	2,940
Issue new policies within five days of initial deposit receipt date	2,640	2,640	2,640	2,640
Update active policies within three days of request receipt	27,000	27,000	27,000	27,000
Issue certificates of coverage	6,336	6,336	6,336	6,336
Issue extraterritorial requests	1,020	1,020	1,020	1,020
Approve or deny optional coverage and officer rejection endorsements	5,616	5,616	5,616	5,616
Process policy updates	9,000	9,000	9,000	9,000
Review employer payroll reports with errors and correct within five days of receipt	31,500	31,500	31,500	31,500
Issue 30-day notices of cancellation one day after the date of notice	18,792	18,792	18,792	18,792
Cancel policies for non-payment or non-reporting and route file to Administration & Finance within three days of cancellation				
Cancel employer accounts at the request of the employer within three days of request	2,040	2,040	2,040	2,040
	3,084	3,084	3,084	3,084

Legal Department

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
Mediations	106 *	175	125	125
Administrative hearings	152 *	125	125	125
Workers' Compensation Court	225 **	275	250	225

* Handled by in-house counsel.

**225 reviewed and memoed by in-house counsel. Of the 225, 168 were sent to outside counsel for defense, and 57 resolved after review and handled in-house.

Administration & Finance Department

Process incoming mail	999,950	999,950	999,950	999,950
Process outgoing mail	865,000	865,000	865,000	865,000
SBAS documents	4,500	4,500	4,500	4,500
Medical documents	175,250	175,250	175,250	175,250
Receipt employer premium payments	91,250	91,250	91,250	91,250
Audit employer payroll reports	108,150	108,150	108,150	108,150
Receipt initial and additional deposits	3,450	3,450	3,450	3,450
Process audits of employer accounts	850	850	850	850
File document batches	6,250	6,250	6,250	6,250
Prepare promissory notes	215	200	190	190
Receipt certificates of deposit	1,150	1,150	1,150	1,150
Work cancelled policy files	5,124	5,124	5,124	5,124
Refer bad debts for collection	750	750	750	750
Prepare files for microfiche	21,000	21,000	21,000	21,000
Retrieve microfilmed/microfiched records	750	750	750	750
Order forms, supplies, and equipment	354	284	284	284
Equipment maintenance calls placed	389	389	389	389
Building maintenance calls	450	400	400	400
Preventive maintenance projects completed	52	60	62	65
Stops to distribute forms/supplies	810	750	750	750
Pickup/delivery trips	970	970	970	970
File and retrieve archived records	800	800	800	800

Increases Or Decreases From Base

<u>Item</u>	<u>Explanation</u>	<u>FY1992</u> \$947,108	<u>FY1993</u> \$944,961
Modification Requests: FTE Authorization:	This modification request is to continue authorization for 32.90 FTE and associated operating costs which were approved via budget amendment in FY91. At the time SB428 was passed by the 51st Legislative Session, creating the State Compensation Mutual Insurance Fund, it was not known what organizational structure would be required to carry out its provisions. The budget presented to the Legislature for consideration was prepared nearly a year before the passage of SB428 and consequently did not reflect the organizational structure necessary for its implementation. Services provided by the requested FTE will bring backlogged functions due to inadequate staffing up to date and remain up to date; reduce claim loads and provide improved case management; implement cost containment programs; and provide new and improved services to policyholders.		
Audit Bureau Reorganization	In September, 1990, a contract with the Department of Labor & Industry (DLI) to perform detailed audits of State Fund policyholders terminated. Following the findings of a task force which analyzed DLI's audit bureau, it was determined that a decentralization of the bureau would most effectively meet the needs of both DLI's Unemployment Insurance (UI) program and the State Fund. As a result, a portion of the audit bureau, 9.0 FTE and associated operating costs, were transferred to the State Fund. By closely directing the activities of these field auditors, the State Fund will greatly increase its audit yield. By having the UI program concentrate more on unemployment tax audits, they will be in a much better position to meet their federal mandates regarding unemployment taxes and insurance. It is understood that the State Fund, Unemployment Insurance, the Uninsured Employers' Fund, and the Department of Revenue will share information regarding audit findings and scheduling so the chances of an overlapping audit of a given employer are minimal.	<u>FY1992</u> \$313,941	<u>FY1993</u> \$313,316
Payroll Tax	The 1990 Special Session of the Legislature extended the employer payroll tax scheduled to sunset on June 30, 1991 and transferred responsibility for administering the tax to the Department of Revenue effective July 1, 1991. In accordance with HB 2, however, the State Fund is responsible for collecting the tax for the quarter ending June 30, 1991, which is due in August, 1991, or FY92. In addition, the State Fund is responsible for transferring tax accounts which are more than 720 days past due to the State Auditor for collection. Consequently, costs associated with collection of the payroll tax will remain in the State Fund's budget through FY92.	<u>FY1992</u> \$(35,015)	<u>FY1993</u> \$(60,739)

Other Items

The following items are requests submitted by the State Fund for legislative consideration which were not included in the Governor's Executive Budget Request:

<u>Item</u>	<u>Explanation</u>	<u>FY1992</u>	<u>FY1993</u>
3.0 Claims Examiners	An increase of 3.0 claims examiners is necessary in order to achieve a satisfactory competency level in the case management of workers compensation claims. The caseload industry standard is 200 to 250 cases per examiner. The State Fund caseload per claims examiner at FY90 year end was 378. With the addition of these 3 claims examiners and the 11 claims examiners requested above, the State Fund can reduce its caseload per examiner to approximately 295. The objective is to provide for aggressive, proactive case management by reducing the caseload to a level for each examiner so the files can be adequately worked.	\$97,830	\$74,517
2.0 Word Processors, 2.0 File Clerks	These positions are requested to provide support to the additional claims examiner positions. This will result in better claims management practices due to the lower caseload per examiner and adequate support staff to provide timely processing of caseload documents.	FY1992 \$83,906	FY1993 \$72,666
1.0 Microfilm Clerk	Files management and records management procedures require accident files be maintained in an active status for three years. This requires that the files be pulled from the system and prepared for microfiche. Currently this process has a backlog of 4 years, or 70,000 accident files to be prepared and microfiched. Currently one FTE is assigned to process the accident files for microfiche. However, this position is also responsible for retrieving files and fiche for claims management. An additional FTE is needed to bring the backlog to a reasonable level and to maintain a three year active status without future backlogs.	FY1992 \$25,639	FY1993 \$18,240
1.0 Accident Cataloging Clerk	The accident cataloging section is responsible for processing all incoming unidentifiable mail. They must research the computer system for existing accidents on record and match up any new mail or medical bills with this file. Any new accidents must be set up on the system with all pertinent information and assign a new accident number. The accident cataloging section has a current staff of seven FTE's. They receive roughly 1,145 documents per day to be researched for existing accident numbers or to assign new accident case numbers. This section experiences backlogs on a regular basis, in some instances as much as four weeks. An additional FTE is necessary to ensure prompt processing, thereby eliminating backlogs.	FY1992 \$25,339	FY1993 \$18,240

1.0 Safety Consultant	<p>The Safety Incentive Program passed by the 1987 Legislature has saturated the five safety consultants the State Fund currently employs. This safety program is showing approximately a four-to-one return on investment through loss prevention. Analysis of our policies which are generating the most losses shows that the current safety staff is able to reach less than half of the targeted policyholders. The request for 1.0 safety consultant, in addition to the two safety consultants requested above, will improve the program by reducing areas covered and enabling more policyholders to be brought into the safety incentive program</p>	<u>FY1992</u> \$40,598	<u>FY1993</u> \$36,277
1.0 Junior Programmer	<p>During FY'90, the State Fund cancelled its contract with the Department of Administration to provide computer development and support. Staff were added to perform this work in-house. An additional 1.0 FTE is required to provide adequate resources in this complex area.</p>	<u>FY1992</u> \$32,154	<u>FY1993</u> \$24,839
Contracted Services vs. FTE	<p>The Governor's Executive Budget Request included in its recommendation funds in contracted services for both Department of Administration programming support and support for a .60 audit director. It did not include these funds in personal services as authorized FTE. The State Fund Board of Directors felt that it was imperative that the State Fund have direct control over its computer system development and maintenance functions to be able to respond more quickly to the needs of the system. Therefore, it authorized the movement of contracted services funds from expenditure code 2175 to personal services in FY90 and again in FY91. In FY90, 2.0 programmers were hired to carry out the functions listed in the 2175 justification. In FY91, an additional 1.0 software specialist was hired, bringing the total to 3.0 FTE programming staff hired through the movement of these data processing contracted services funds. It is the board's intention to use the contracted services funds in 2175 to employ its own programming staff in the 1993 biennium rather than contract out for the same service. The increased productivity that has resulted by this action has proven to be a very effective use of the State Fund's resources. In the case of the audit director, .40 of this position is already included in the request for continued authorization of the 32.90 FTE listed previously. OBPP included funds for the remaining .60 FTE in contracted services rather than personal services. The State Fund requests that these funds be moved from contracted services into personal services and the 3.60 FTE be authorized.</p>	<u>FY1992</u> \$0	<u>FY1993</u> \$0

FY1992	FY1993
\$254,494	\$519,553

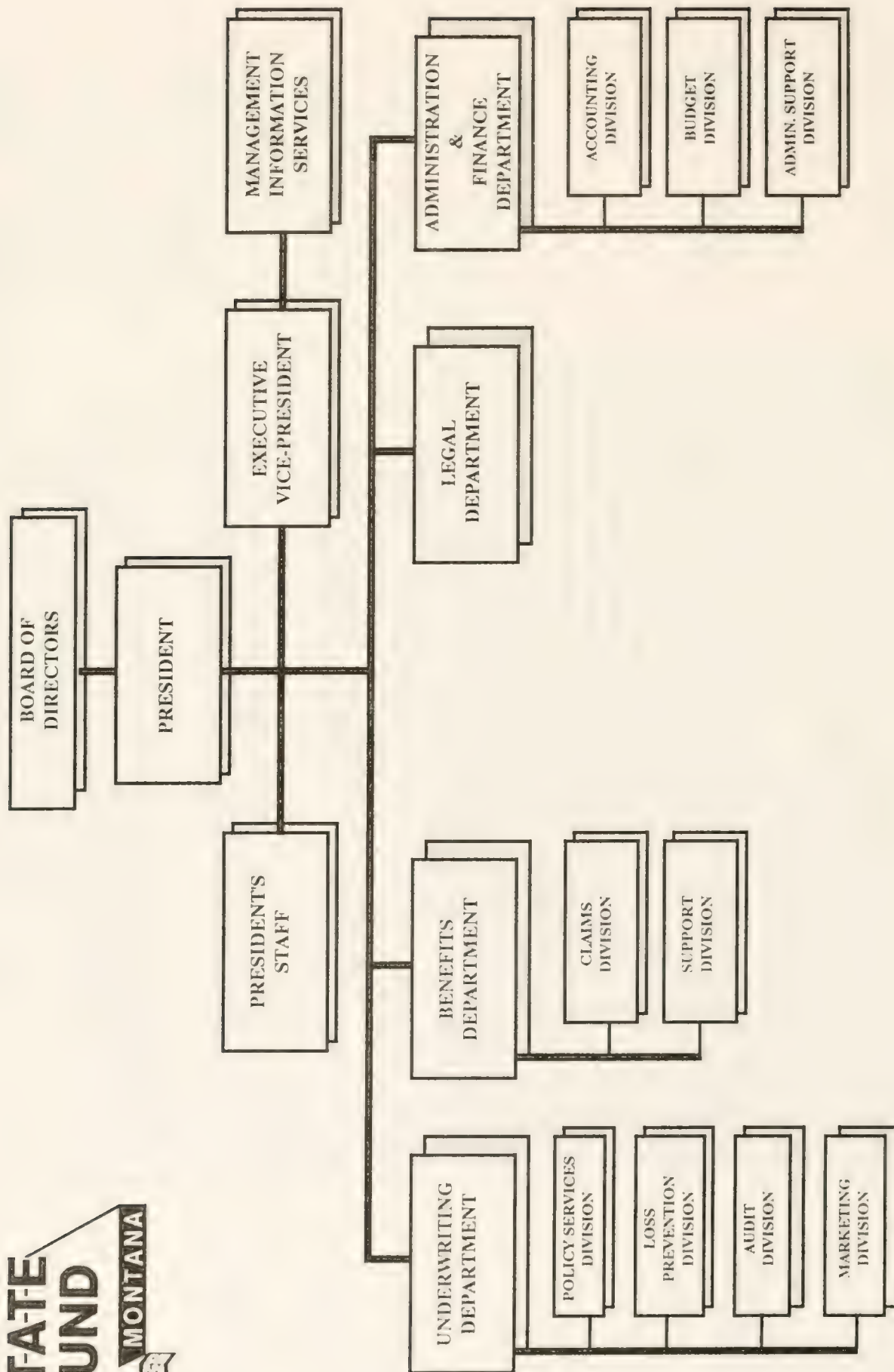
The State Fund is requesting a 5.0% salary increase for its employees each year of the 1993 biennium. The Consumer Price Index (CPI) is projected to increase roughly 4.22% in FY92 and 5.59% in FY93. FY90 year-end current level vacancy savings for the State Fund approximated 1.5%. Consequently, the State Fund would be unable to absorb a salary increase through vacancy savings. The increase is comparable to the executive proposal of 4.5%. However, it is important to note that this 5.0% salary increase request is not in addition to the executive pay plan. Since the State Fund is not on the state classification plan, it must request a salary increase on its own.

FY1992	FY1993
\$0	\$0

The State Fund is requesting in separate legislation that benefit payments be statutorily appropriated under 17-7-502, MCA. Under the old trust fund accounting structure, benefit payments were not appropriated. As a result of implementation of SB428, generally accepted accounting principles dictate the State Fund operate under the enterprise fund structure. Consequently, expenditures formerly considered off-budget items must now be budgeted. Benefit payments are by their very nature difficult to estimate within a given appropriation level because of the variables involved. If an appropriation level was set too low, benefit payments exceeding that level would have to be held back until a budget amendment could be considered by the Legislative Finance Committee. This would prove disastrous to those most in need of the funds. Also, since the benefit payments were already considered by the most recent legislative session open to that matter, there is some question on whether a budget amendment for benefit payments would even meet the criteria for approval. For the above-cited reasons, the State Fund requests that benefit payments be statutorily appropriated.

Statutory Appropriation

5.0% Salary Increase



PUBLIC EMPLOYEE'S RETIREMENT DIVISION

PUBLIC EMPLOYEES' RETIREMENT DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	20.00	20.00	20.00	.00	20.00	20.00	.00	20.00
Personal Services	461,682.13	522,201	517,695	1,165	518,860	516,777	1,159	517,936
Operating Expenses	372,892.35	276,058	296,954	426,779	723,733	275,893	161,755	437,648
Equipment	4,103.17	1,797	1,797	-231	1,566	1,797	-93	1,704
Total Agency Costs	<u>\$838,677.65</u>	<u>\$800,056</u>	<u>\$816,446</u>	<u>\$427,713</u>	<u>\$1,244,159</u>	<u>\$794,467</u>	<u>\$162,821</u>	<u>\$957,288</u>
Non-expendable Trust Fund	838,677.65	800,056	816,446	427,713	1,244,159	794,467	162,821	957,288
Total Funding Costs	<u>\$838,677.65</u>	<u>\$800,056</u>	<u>\$816,446</u>	<u>\$427,713</u>	<u>\$1,244,159</u>	<u>\$794,467</u>	<u>\$162,821</u>	<u>\$957,288</u>

OVERVIEW

The Public Employees' Retirement Board, staffed by the Public Employees' Retirement Division of the Department of Administration, administers the retirement systems for the members and their beneficiaries of the Public Employees', Game Wardens', Highway Patrol, Judges', Sheriffs', Municipal Police, Firefighters' Unified, and Volunteer Firefighters of Unincorporated Areas Retirement Systems as defined in Title 19, Chapters 3,5,6,7,8,9,12, and 13, MCA and the Federal-State Social Security Agreement as defined in Title II, Section 218 of the Social Security Act and Title 19, Chapter 1, MCA.

GOALS

--Efficiently administer all programs and retirement systems in an equitable manner, providing

fair and equitable treatment to every member and their beneficiaries covered under these programs.

--Amortize newly created unfunded liabilities of the retirement systems over a period not to exceed 40 years and to reduce the amortization period for unfunded liabilities by at least one year every fiscal year.

--Finance the costs of providing retirement benefits fairly among the generations of taxpayers and discourage unreasonable benefit demands.

--Resist proposals for benefit enhancements which are not supported by adequate funding.

--Provide equal pensions in terms of the relationship between membership service, contributions made and benefits received.

--Provide a mechanism whereby local governments may continue to secure Social Security coverage for their employees.

AUTHORIZATION

Title 19, Ch. 1, MCA, and Sec. 218, Social Security Act

Social Security. Describes Legislative policy and procedures for providing Social Security coverage to public employees in Montana.

Title 19, Chs. 3,5,6,7,8,9,12 and 13, MCA

Montana Public Retirement System Acts

These acts assign specific administrative responsibilities to the Public Employees' Retirement Board and the Department of Administration, including: establishing rules for administration and operation of the retirement systems and enforcement of the statutes; determining who are employees; determining the conditions under which persons may become members of and receive retirement benefits; determining and modifying allowances for service and disability retirements; maintaining necessary records and accounts; hiring an actuary to perform actuarial valuations and adopting appropriate actuarial tables and rates of interest.

GASB Statement No. 5

Disclosure of Information by Public Employees Retirement Systems. The Governmental Accounting Standards Board requires "Pension Benefit Obligation" information to be updated every year. Prior to enactment of this standard, only biennial valuations of the retirement systems were required.

BASE PROGRAM

The Public Employees Retirement Board administers two separate activities which consist of (1) eight distinct public retirement systems and (2) Federal-State Social Security Agreement.

Retirement System:

Retirement system activities consist of providing estimates for benefits and counseling to potential retirees; finalizing and paying monthly retirement, disability and death benefits for retirees and beneficiaries; paying refunds to terminating members; accounting for over \$ 1 Million in trust fund assets including the publication of financial statements, the annual financial report, and preparing and distributing individual statements of account; conducting pre-retirement seminars for retirement system members and spouses; explaining PERS benefits to members at public meetings; publishing and distributing retirement system handbooks and newsletters; and preparing fiscal notes and technical information about the impact of proposed legislation. Retirement activities account for 19.50 of the total 20.00 FTE assigned to the division.

Specific objectives of the retirement activity include:

-- process service retirement applications within one month of receipt, and within 99% accuracy in payments;

-- process refund applications within two months of termination and within 99% accuracy in payments;

-- process 95% of all requests for purchase of eligible retirement service credits within three months of receipt;

-- provide accurate information to retirement system members about their contributions, estimated benefits and retirement options, so that individuals can make informed decisions about their retirement years;

-- provide accurate information to retirement system employers about their reporting and payment responsibilities as requests for information are received or as procedural changes are made;

-- accurately respond to requests for information from Legislators and others involved in the legislative process in an understandable manner and within the time frames established during that process;

-- conduct Pre-Retirement Planning Seminars in various parts of the state in conjunction with the Professional Development Center in order to provide in-depth and specialized information to public employees considering retirement;

-- conduct biennial actuarial valuations of the retirement systems in order to inform members and the public of the financial position of the several retirement systems and to respond to requests of financial impact of various proposed amendments to the systems;

-- publish accurate annual financial reports of the retirement systems in accordance with Generally Accepted Auditing Standards (GAAS), Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board's (GASB) statements within 90 days of FY end in order to report the financial status of the retirement trust funds to the Governor, the Legislature, retirement system members and the general public; and

-- notify members, retirees and employers of change(s) in retirement system statutes, rules and policies within one month of change(s) becoming effective.

Social Security

The Social Security activity of the Public Employees' Retirement Board is governed by the provisions of the state's agreement under Section 218 of the Social Security Act whereby the Board is responsible for entering into, extending and modifying Social Security coverage agreements between the Federal, State, and local governments in Montana and for balancing collections and deposits attributable to calendar years prior to 1987.

Social Security activities account for 0.50 FTE

of the Board's 20.00 FTE. The current level of FTE assigned to Social Security represents the final phase-down from the former level of 4.0 FTE in the 87-88 biennium. Supervision and additional support is provided by the the remaining 19.50 FTE including the Administrator, Assistant Administrator, Operations Bureau Chief, Accountant and data processing personnel.

The objectives of the Social Security activity are to extend new and modify existing SS coverage agreements between SSA and eligible state and local government employers in accordance with State and Federal Social Security laws and rules and provide accurate and timely information to state and local government SS reporting agencies in response to questions about SS coverage for their employees.

BASE FUNDING

Both activities are funded by investment earnings on the retirement system pension trust funds and have no impact on general or other funds of the state.

PERFORMANCE INDICATORS

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Monthly Membership & Contributions reports processed	7,050	7,000	7,100	7,100
Members' accounts credited/month	33,000	30,000	33,000	33,000
Retirement estimates provided	1,318	1,300	1,300	1,300
New retirements processed	602	600	600	600
Retirees receiving benefits	11,700	12,250	12,250	12,250
Number of refunds processed	3,540	3,600	3,600	3,600
Cost statements prepared for service purchases/transfers	3,206	3,000	3,000	3,000
Pre-retirement planning seminars	7	8	8	8
Members attending	220	200	200	200
Public Information Meetings Held	24	35	35	35
Fiscal notes drafted	N/A	20	N/A	20
Actuarial valuations conducted	9	8	9	8
Newsletters distributed	47,000	47,000	47,000	47,000
Handbooks updated and reprinted	50,000	10,000	35,000	10,000
Board Meetings	11	11	11	11
New Disability applications reviewed	105	100	0	0
On-going disabilities reviewed	120	120	14	14
Annual statements of account	34,920	37,000	37,000	37,000
Applications for Supplemental Insurance Payments	239	230	230	230
Annual Certifications of Service for Volunteer Firefighters	3,500	3,400	3,400	3,400
New PERS contracts with local government employers	21	20	20	20
New and modified SS coverage agreements processed and approved	12	12	12	12

INCREASE OR DECREASE FROM BASE

A) The only change from base in the personal services budget was \$1,165 in FY92 and \$1,159 in FY93 in increased costs for benefits.

B) Fixed rate cost increases and inflation in Operating Expenses accounted for a \$25,810 increase over base in FY92 and a \$25,579 increase over base in FY93. The balance of the increase in Operating Expenses is explained in (D) and (E) below which cover the modification requests. Specific current level operating expenses differing from base amounts follow.

The contract for actuarial valuations is expected to increase at least 10% a year after a new contract for services is bid in early 1991, resulting in an increase of \$4,326 in FY92 and \$3,026 in FY93. Fixed rates for required notary bonds have increased the budget \$90 over base in FY 92 and \$180 over base in FY 93. Savings of \$500/year are expected in the janitorial services contract. An increase of \$3,310 in FY92 and \$6,185 in FY93 are anticipated in medical service fees paid to physicians for updated reports on disability retirement recipients. Additional microfilm processing is expected to account for an extra \$940 in FY92 and \$1,255 in FY93.

Taken in total, computer processing, systems development, training and support are expected to result in additional expenditures of \$17,812 in FY92 and \$15,113 in FY93 over the base expenditure level. Steadily increasing requirements for document storage are expected to increase records storage costs by \$1,125 in FY92 and \$1,725 in

FY93.

Total printing and photocopy costs are expected to increase over base budget amounts by \$298 in FY92 but decrease by \$1,994 in FY93, primarily because of the heavy need for printing new documents during the first year of the biennium due to statutory enactments. SBAS on-line entry and edit costs were substantially underestimated prior to the system coming on-line; therefore, FY92 and 93 actual expenditures are expected to increase \$675 over base in both years.

C) Decreases in the purchase of replacement office furniture are partially offset by increased needs for computer software updates, resulting in a net decrease in expenditures for the biennium of \$231 in FY92 and \$93 in FY93.

D) Rewrite Computer System. \$324,000 is proposed for FY92 and \$54,000 in FY93 which will be used to complete the design, implementation, and debugging of a new on-line, data-base computer system to account for the contributions, service, salary, and other required information for over 70,000 members of the retirement systems administered by the Board. The new system is necessary because the current batch system which is over 16 years old can no longer be modified to deal with changing federal and state requirements. The current system is the oldest computer system still in operation on the state mainframe computer and no longer meets the needs of the agency. The remaining \$25,582 requested in FY92 and \$79,224 requested in FY93 represent expenditures which will be made for systems development work on the agency's two currently used computer

systems. These amounts represent the amounts over the FY91 base level of expenditures that are anticipated to be expended for computer programming required in the normal course of business. While the amounts requested are higher than FY91 base amounts, they are lower than the agency's actual FY90 expenditures in this area. All funds will be appropriated from the pension trust funds administered by the Board.

E) Program Improvements: \$50,347 for contracted services is requested in order to recodify the retirement statutes administered by the Board. With 8 separate chapters covering 8 distinct retirement systems, this project is too large in scope to be incorporated into the normal workload within the agency in time for presentation to the 1993 Legislature. \$19,698 in rent and increased utilities is needed to allow the agency to expand into the remaining 25% of the building owned by the PERS trust fund when the current tenant's lease expires on December 31, 1991. Space currently utilized is very cramped and there is insufficient room for the Board and public to meet in the current boardroom.

\$4,068 for in-state travel is requested so that the Billings-based Board member can travel to monthly meetings in Helena. Without this additional fund, the agency will be forced to continue its present curtailment of public information presentations in order to stay within its travel budget.

\$6,040 is requested to cover a cost increase from the State Auditor's Office for mailing monthly retirement and refund checks and to cover the

increase over the FY91 base required to purchase additional IBM printer ribbons and print heads required when this agency began "on-line entry and edit" of SBAS documents.

\$27,000 is requested to supplement the FY91 base request for postage. Due to increased volume, actual expenditures in FY90 were higher than the FY91 budget request, which already includes the anticipated postage rate increase. Without this additional expenditure authority, this agency will not be able to mail benefit and refund checks and correspond with the retirement system members and retirees.

\$186 is requested over the FY91 base level budget request in order to cover a fixed rate cost increase for rent of a postage meter.

All funds will be appropriated from the pension trust funds administered by the Board.

TEACHERS' RETIREMENT SYSTEM

TEACHERS' RETIREMENT SYSTEM

61050100.000

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	11.50	11.50	11.50	.00	11.50	11.50	.00	11.50
Personal Services	258,672.28	286,818	283,999	636	284,635	283,644	634	284,278
Operating Expenses	237,954.99	186,723	183,888	147,760	331,648	175,323	124,760	300,083
Equipment	13,817.48	2,089	2,089	18,593	20,682	2,089	12,400	14,489
Total Agency Costs	\$510,444.75	\$475,630	\$469,976	\$166,989	\$636,965	\$461,056	\$137,794	\$598,850
Non-expendable Trust Fund	510,444.75	475,630	469,976	166,989	636,965	461,056	137,794	598,850
Total Funding Costs	\$510,444.75	\$475,630	\$469,976	\$166,989	\$636,965	\$461,056	\$137,794	\$598,850

OVERVIEW

The Teachers' Retirement System provides retirement, disability, and survivor benefits for Montana teachers and other school related employees and their beneficiaries. The Teachers' Retirement Board is composed of six members, five appointed by the Governor and the Superintendent of Public Instruction. The Board is responsible for the administration of the System and the Pension Trust Fund. To assist the board in fulfilling these duties and responsibilities, the board employs a full-time staff.

GOALS

It is the goal of the Teachers' Retirement Board to be an integral part of a complete educational system in the State of Montana by offering a financially sound retirement system which provides the broadest and fairest possible range of retirement, disability, and survivor benefits

to Montana's educators.

OBJECTIVES:

- * Provide maximum benefits consistent with maintaining the actuarial soundness of the system.
- * Maintain an amortization period for the unfunded liability of 40 years or less.
- * Continuously working to improve communications to members through available resources and technology.
- * Explain the present retirement program and offer assistance to its members.

AUTHORIZATION

The state Teachers' Retirement System was created in 1937 to provide retirement, disability, and survivor benefits for the state's teachers and their beneficiaries. The system is governed by a six member board appointed by the Governor under the provisions of 2-15-1010 MCA. The board is composed of the Superintendent of Public Instruction, two members from the teaching profession who are members of the system, two persons as representatives of the public, and one person who is a retired teacher. The board is allocated to the Department of Administration for administrative purposes only. The board employs administrative officers and a staff to conduct the business of the system. The program is regulated by Title 19, Chapter 4, MCA.

DEPARTMENT OF ADMINISTRATION

BASE PROGRAM

The Teachers' Retirement Program provides retirement, disability, and survivor benefits for the state teachers and their beneficiaries. The Teachers' Retirement Board is responsible for the administration of the system. The program is regulated by Title 19, Chapter 4, MCA.

BASE FUNDING

The Teachers' Retirement System is funded from interest earned on investments of the pension trust fund.

TEACHERS' RETIREMENT SYSTEM

PERFORMANCE INDICATORS

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Correspondence & Counseling	29,194	29,194	29,194	29,194
Retirement Estimates	1,440	1,440	1,440	1,440
Cost Calculations & transfers	3,480	3,480	3,480	3,480
Refunds	2,254	2,254	2,254	2,254
Retirement Processing	6,970	6,970	6,970	6,970
Data Entry (hours)	1,040	1,040	1,040	1,040
Deposits (Hours)	1,500	1,500	1,500	1,500
General Membership Processing	14,997	14,997	14,997	14,997
Legislation (Hours)	1,000	1,000	1,000	1,000

INCREASE OR DECREASE FROM BASE

A) Personal services increased from the base by \$636 in FY92 and \$634 in FY93 due to increased costs for benefits.

B) Rent paid to the Department of Administration, General Services Division, increased from base by \$10,453 in FY92 and \$10,260 in FY93, which represents the amount of rent above the fixed

cost rate that must be paid for the lower level of the building. These amounts were actual FY90 expenses, but were not reflected in the FY90 base.

C) Data Processing Charges \$150,000: The number of items processed for the normal operation of the TRS network, requests for additional

information and reports, access and utilization of the mainframe system have increased substantially. An increase of \$66,000 per fiscal year is due primarily to the increase in the number of transactions processed, maintenance, enhancements and recordkeeping. In addition, \$9,000 per fiscal year is required for general maintenance of the system as well as an hourly rate increase in 1990-91 which is expected to continue. This also allows for approximately 250 hours of systems development annually. Charges for Data Network Services tripled last year from \$2,000 to \$6,000 per fiscal year. Costs include \$3,000 per fiscal year for subscriptions to Information Center Services transaction processing on the OEE System and charges for installation of equipment which was previously done at no cost.

D) Data Processing Enhancements \$50,000: In addition to the normal budget for computer processing and system development, TRS needs enhancements at a cost of \$25,000 per fiscal year to clean up and eliminate duplication of data, extract information from the system for various statistical and financial reports, prepare retirement estimates for members in the pre-retirement planning process, as well as sort W-2P's in zip code order for Central mail and furnish TRS with a copy sorted in social security number order. These enhancements will provide TRS faster, more accurate information to the members and retirees regarding their accounts and future benefits and also help reduce the workload of other agencies as well as providing other agencies with information needed concerning

the retirement system.

E) Computer/Office Equipment \$30,993: The TRS Board directed replacement of 6 desk chairs, 3 desk top calculators and the acquisition of a credenza for the secretary. TRS will need to add to its computer network system a tape backup system which currently does not exist, an uninterruptible power supply to continue operation during a major power failure, two personal computers of which one is for the retired area to provide faster service to retirees and better utilization of staff time. The other personal computer is for the Management Information Specialist who currently has a terminal and needs a PC to utilize software to download the database and access information without incurring the cost of the mainframe computer processing time. TRS also needs to expand utilization of the network. Currently, only 5 people can access the network at one time and TRS needs to expand to allow other staff access to the TRS database or SBAS. TRS also needs to purchase additional software for the additional computers and Oracle to allow the Management Information Specialist to download the TRS database to the PC without utilizing actual mainframe computer processing time. Cost is \$17,900 for FY92 and \$12,400 for FY93.

F) Travel and Staff Training \$26,000: In addition to the normal budget and an increase in out-of-state travel costs, TRS must meet the demand from members for more pre-retirement planning which will increase travel to local school districts for the purpose of giving

presentations to members concerning the retirement system and its services, to meet individual members at the school districts to assist them with pre-retirement planning. The demand for pre-retirement planning requires pre-retirement training for the staff which can only be accomplished by attendance of the National Pre-Retirement Education Association Conference each year. Additional travel is also needed for the accountant for continuing education in the area of pension accounting and changes in federal tax laws concerning pension plans. This will assure TRS is complying with current regulations concerning pension plans. Cost is \$13,000 each fiscal year.

G) Microfiche Files \$25,732: Due to limited space in the TRS building, TRS's 6,600 retired files must be maintained on microfilm. Elimination of the hard copy files will also provide needed office space. The retired files are microfiched periodically; however, use of the updatable microfiche would replace the periodic process and keep the retirement files current. This process also requires the purchase of 2 microfiche readers and additional supplies for storing the microfiche for the staff in the retired section. Cost is \$24,232 for FY92 and \$1,500 for FY93.



DEPARTMENT OF MILITARY AFFAIRS

ARMY NATIONAL GUARD

DISASTER & EMERGENCY SERVICES

AIR NATIONAL GUARD

VETERANS AFFAIRS

DEPARTMENT OF MILITARY AFFAIRS

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DEPARTMENT OF MILITARY AFFAIRS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992 Base	Fiscal 1992 Incr/Decr Recommended	Fiscal 1993 Base	Fiscal 1993 Incr/Decr Recommended
Full Time Equivalent Employees	97.75	97.75	97.75	.00	97.75	.00
Personal Services	2,315,208.92	2,603,156	2,605,240	5,667	2,610,907	5,656
Operating Expenses	2,237,044.78	2,325,397	2,307,217	457,858	2,765,075	340,998
Equipment	10,418.84	0	0	0	0	0
Local Assistance	37,157.75	0	0	0	0	0
Grants	763,180.64	2,000,000	2,000,000	-1,000,000	2,000,000	-1,000,000
Benefits and Claims	2,280.00	2,280	2,280	0	2,280	0
Total Agency Costs	\$5,365,290.93	\$6,930,833	\$6,914,737	\$-536,475	\$6,915,012	\$-653,346
General Fund	1,981,153.11	2,035,402	2,044,157	195,318	2,239,475	75,935
State Special Revenue Fund	0.00	12,000	12,000	0	12,000	0
Federal Special Revenue Fund	3,384,137.82	4,883,431	4,858,580	-731,793	4,126,787	-729,281
Total Funding Costs	\$5,365,290.93	\$6,930,833	\$6,914,737	\$-536,475	\$6,915,012	\$-653,346
Administration	204,765.42	216,590	224,801	-1,269	223,532	-1,072
Army National Guard	1,741,248.53	1,806,011	1,777,902	434,326	1,783,353	315,432
Air National Guard	1,460,494.35	1,556,048	1,572,417	29,556	1,601,973	31,343
Disaster Coordination Response	450,915.08	547,560	532,330	715	533,045	760
Emergency Mgmt Development	241,678.21	275,522	274,986	-789	274,197	-794
Local Reimbursement-DES	763,180.64	2,000,000	2,000,000	-1,000,000	1,000,000	-1,000,000
Veterans Affairs	465,850.95	529,102	532,301	986	531,981	985
Disaster Fund	37,157.75	0	0	0	0	0
Total Program Costs	\$5,365,290.93	\$6,930,833	\$6,914,737	\$-536,475	\$6,915,012	\$-653,346
						\$6,261,666

Mission and General Description

The mission of the Department of Military Affairs is twofold in that most components of the Department have a federal as well as a state mission. By utilizing the same resources, the respective roles are complimentary and enhance total capability. The state mission provides for a statewide emergency

management system and a military organization that is trained and equipped for use by the Governor in the event of a state emergency. The state mission also provides support for assisting all veterans and their families in obtaining entitled benefits. The federal mission provides a trained and equipped military organization for use by the President in the event of a national emergency.

The Department of Military Affairs is provided for in Article VI, Section 13 of the Montana Constitution. The powers and duties of the department are defined under 10-1-102, M.C.A.

The department consists of the Adjutant Generals office, which includes management support services, the Air and Army National Guard Programs, Disaster and Emergency Services Division and the Veterans' Affairs Division. The Veterans' Affairs Division is administratively attached to the department.

The Disaster and Emergency Services Division is budgeted for 21 FTE, of which 13 are funded 50% with federal funds and 50% funded by the general fund. The remaining eight FTE are 100% federally funded. The total operating budget requested for the division is \$807,242 for FY 92 and \$806,114 for FY 93. The general fund portion of the request is \$227,800 for FY 92 and \$227,371 for FY 93. The division is also budgeted \$1 million of federal spending authority to allow for pass through of federal dollars to local governments.

The Veterans' Affairs Division has 18.75 FTE and is funded by the general fund except for the operational costs of the Veterans Cemetery located at Fort Harrison, which is funded by federal and donated monies. The FY 92 budget request is \$533,287 and for FY 93 the request is for \$532,966. The general fund portion of the biennial request is \$487,474 and \$487,165 respectively.

When discussing the Air National Guard and the Army National Guard it is important to recognize the commitment from the federal government and the state in terms of personnel and dollars. The federal and state obligations combined are necessary for the Guard Units to fulfill their respective missions.

The Army Guard Program request includes 16.5 FTE and totals \$2,212,228 for FY 92 and \$2,098,785 for FY 93. Included in these amounts are \$1,124,218 for FY 92 and \$1,010,648 for FY 93 in general fund monies.

For FY 92 and FY 93 the budget request for the Air National Guard Program is for the current 37 FTE, of which 30 are 100% federally funded. The remaining seven positions will be funded 75% from federal funds and 25% general fund. The budget request is for \$1,601,973 for FY 92 and \$1,601,494 for FY 93. The general fund portion of the request is \$176,451 for FY 92 and \$175,397 for FY 93. Due to a change in the mission of the Air Guard there is

a change in the funding of the Operation & Maintenance Agreement. Effective July 1, 1991 the funding will be 75% federal and 25% state. The current funding is 80% federal and 20% state. This funding ratio is consistent with other units throughout the country with similar responsibilities.

The Air Guard has over 1100 guard personnel and employs over 380 full time federal workers. The annual federal operating budget brings in over \$29 million to our state. The Army Guard is authorized over 3800 soldiers and employs 535 federal employees. The annual federal operating budget for the Army Guard is over \$41 million. The federal expenditures for these programs are not reflected in the state's accounting system.

Due to recent world wide events there will in all probability be an impact on military spending. At this time we do not know what this impact will be on the Air and Army National Guard units, in regards to the state budget.

Agency Organization

The mission and functions of the Department of Military Affairs are carried out through the following organizational components:

The Office of the Adjutant General consists of the Adjutant General and the centralized services staff. This office coordinates and provides administrative assistance to all programs in the department. This office also maintains contact with state agencies of all three branches and federal agencies.

The Air National Guard Program staff provide maintenance and fire protection support to the Air National Guard base at Great Falls. The Air National Guard provides the state with a trained and equipped military organization for use by the Governor in the event of a state emergency. In addition the Air National Guard provides a trained and equipped combat ready air defense fighter group capable and ready for mobilization in case of a national emergency.

The Army National Guard has locations throughout the state and fulfills two main responsibilities. As directed by the Governor, the Army Guard will mobilize in cases of disaster and emergency in the state. In national emergencies

the guard will mobilize at the call of the President. In both cases the Army Guard provides trained personnel and necessary equipment.

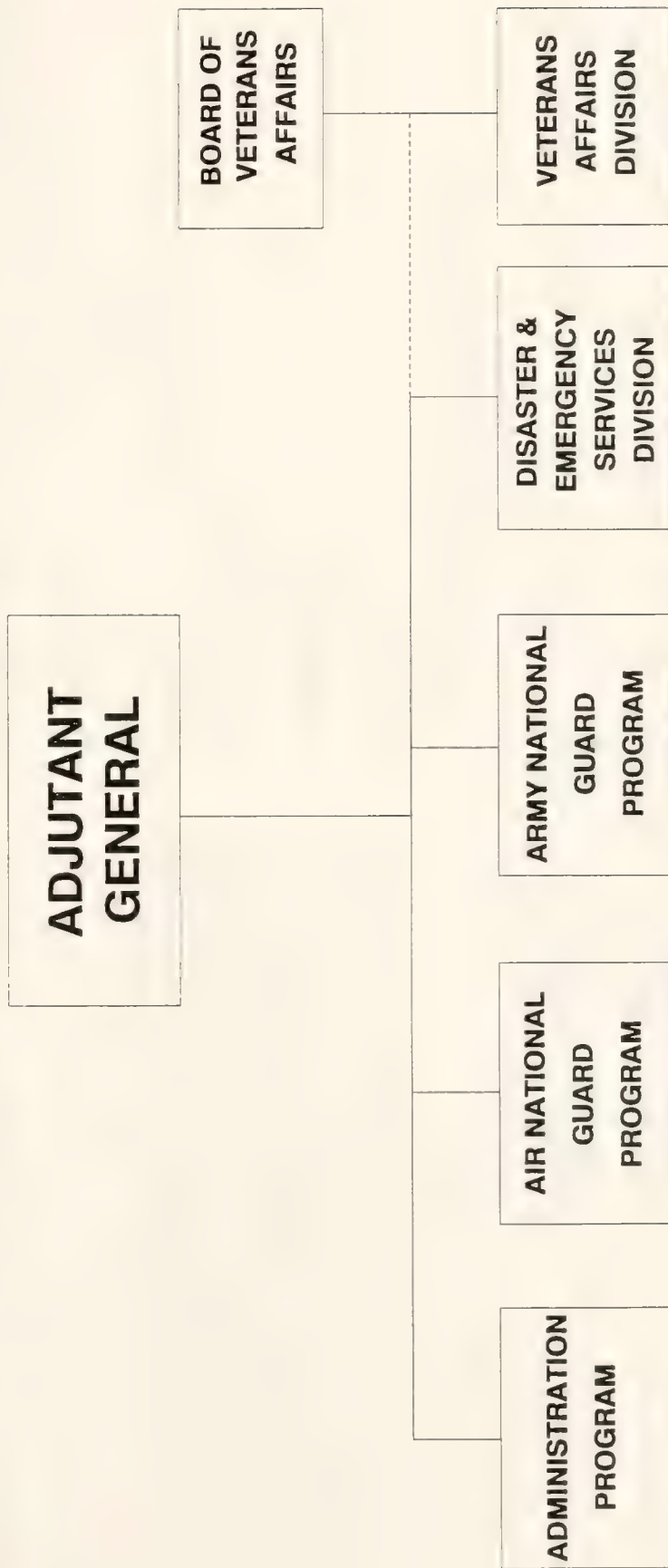
The Disaster and Emergency Services Division is located in Helena. The division has been mandated by state law to provide leadership in developing and maintaining a viable emergency management system for the state and local jurisdictions within Montana. This mandate includes planning for, responding to, recovering from, and mitigating the effects of disasters and emergencies. The ultimate result of these four phases of emergency management is an assured capability to save lives, alleviate suffering, reduce property damage, and protect the environment.

The Montana Disaster and Emergency Services System consists of the Disaster and Emergency Services Division, 56 county DES programs, and the municipal DES program in Great Falls. The division provides operational, technical, training and administrative support for the local government programs. Additionally, the division serves as the executive agent for the Federal Emergency Management Agency in administering federal grants for these jurisdictions.

The Board of Veterans Affairs consists of five members appointed by the Governor with the consent of the Senate. The board is dedicated to the mission of securing maximum entitlements for veterans and their families.

The Veterans Affairs Division provides a statewide service for veterans through the eight field offices located throughout the state. The division is responsible for approximately \$17 million in Federal Department of Veterans Affairs (DVA) entitlements paid directly to veterans and their families annually and assists in insuring the D.V.A. continues to provide approximately \$98 million in total benefits annually.

DEPARTMENT OF MILITARY AFFAIRS



	Fiscal 1990	Fiscal 1991	Fiscal 1992	Fiscal 1993
	Actual	Appropriated	Base Incr./Decr Recommended	Base Incr./Decr Recommended
Full Time Equivalent Employees	4.50	4.50	4.50 .00	4.50 .00
Personal Services	145,203.35	152,066	160,512 373	160,132 370
Operating Expenses	58,963.36	64,524	64,289 -1,642	63,247 -1,442
Equipment	598.71	0	0 0	0 0
Total Agency Costs	\$204,765.42	\$216,590	\$224,801 \$-1,269	\$223,379 \$-1,072
General Fund	204,765.42	216,590	224,801 -1,269	223,379 -1,072
Total Funding Costs	\$204,765.42	\$216,590	\$224,801 \$-1,269	\$223,379 \$-1,072

The Administration Program provides for the administration, management and coordination of the department's programs. The Administration Program also provides management and coordination for the federal Air and Army National Guard Units. A close state and federal relationship is necessary for management purposes and to maintain these federal entities as funding partners. This relationship results in approximately a 65 federal to 1 state dollar return ratio on each state dollar budgeted in the state programs of the Air and Army National Guard. The staff has the following responsibilities; budgeting and accounting, purchasing, personnel administration, communication coordination functions, federal contract administration and represents the department in labor negotiations.

Authorization

Montana Constitution

Base Program

To provide overall policy direction to the department and the National Guard Units consistent with the administration's goals and federal guidelines.

To provide administrative support to programs in the department.

The Administration Program provides the policy making, administrative and personnel support for the department. The purpose of the program is to provide support services to enable the department's other programs to perform their respective missions. The program performs policy making and administrative functions for the department. The objective is to continue to provide these services and coordinate the respective missions of the federal Air and Army National Guard Units and the state Air and Army National Guard Programs.

The personnel area performs all necessary duties of personnel functions; recruitment, processing of applications for employment, assisting hiring authorities in selection, reference checking, monitoring of performance appraisals, handling of grievances and insures the department's Affirmative Action Plan is followed. The objective of the personnel area is to update the personnel policies of the department and to implement and monitor the required and necessary personnel policies.

The accounting area provides accounting services for four programs that have a combined total of seven funding sources and processes the payroll for the department. The department's budget is processed and maintained by the accounting area. Accounting personnel work closely with federal personnel on contracts and funding to insure proper source of payment on claims is made. The objective of the accounting/budgeting area is to insure prompt payment of all claims and to maintain current billings and records on the five federal contracts the department has with the National Guard Bureau. Current budget status reports will be provided program managers for management purposes.

Base Funding

Funding for the Administration Program is from the general fund.

Performance Indicators

	FY 90	FY91	FY 92	FY 93
	<u>Actual</u>	<u>Appr</u>	<u>Base</u>	<u>Base</u>
Personnel Policies Updated	2	5	5	5
Employment Applications	150	130	120	110
Accounting Transactions	3500	3600	3600	3600

ARMY NATIONAL GUARD PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Fiscal 1992 Base	----- Fiscal 1992 Incr/Decr Recommended	----- Base	----- Fiscal 1993 Incr/Decr Recommended	----- Fiscal 1993 Base	----- Fiscal 1993 Incr/Decr Recommended
Full Time Equivalent Employees	16,50	16,50	16,50	.00	16,50	.00	16,50	16,50
Personal Services	280,925.51	389,281	386,501	856	387,357	853	386,680	387,533
Operating Expenses	1,454,070.06	1,414,450	1,389,121	433,470	1,822,591	314,579	1,394,393	1,708,972
Equipment	3,972.96	0	0	0	0	0	0	0
Benefits and Claims	2,280.00	2,280	2,280	0	2,280	0	2,280	2,280
Total Agency Costs	\$1,741,248.53	\$1,806,011	\$1,777,902	\$434,326	\$2,212,228	\$315,432	\$1,783,353	\$2,098,785
General Fund	932,224.48	962,965	935,877	188,341	1,124,218	68,292	942,356	1,010,648
Federal Special Revenue Fund	809,024.05	843,046	842,025	245,985	1,088,010	247,140	840,997	1,088,137
Total Funding Costs	\$1,741,248.53	\$1,806,011	\$1,777,902	\$434,326	\$2,212,228	\$315,432	\$1,783,353	\$2,098,785

Overview - Army National Guard Program

The Army National Guard Program provides the resources to maintain facilities and provide communications for Army Guard units through out the state. The state program is a small part of the over all Army National Guard in Montana. The Army Guard has been reorganized from a regiment status to a brigade status in the federal system. By becoming a brigade the Army Guard is authorized 3800 soldiers and to support this effort employs 535 federal employees. The federal budget for the Montana Army National Guard is over \$41 million.

Goals

- o To provide maintenance and operational support to facilities and units of the Montana National Guard located throughout the state.
- o To provide safe, functional and usable facility to support the logistical requirements of the National Guard.

Authorization

- 10-1-102, M.C.A. Defines the powers and duties of the department.
- 32 Stat. 775 Established the organized militia of the states called the National Guard.

Base Program

The Army Guard Program provides the support to maintain facilities throughout the state utilized by National Guard to fulfill its dual roles. The federal role is to be trained and have the necessary equipment ready in case of a national emergency. The state role is to provide the state with a trained and equipped military organization in case of a state emergency or disaster. Adequate facilities are important and necessary for both roles of the Guard. Services provided by this program are for buildings and facilities in the state. The buildings and facilities are categorized by use and function. There are 255 buildings and facilities that are supported by this program. There are two funding agreements with the federal government to cover part of the buildings with the rest being the responsibility of the general fund.

The Army National Guard Logistical Facilities Real Property and Maintenance Agreement (Service Contract) provides federal funding support for services provided by the state for operation, maintenance and repair costs of certain authorized facilities. There are 75 facilities covered under this agreement. The funding split for this agreement is 75% federal and 25% state.

Services provided for these facilities include personal services for time worked maintaining the facilities, utilities, travel in support of the agreement and facility repairs and maintenance.

The Army National Guard Training Facilities Real Property Operations and Maintenance Agreement (Training Site Contract) provides federal funding support for services provided by the state for operations, maintenance and repair costs for training sites. The funding for this agreement is 100% federal funds. There are 95 facilities covered under this agreement. Services provided include personal services for time spent maintaining the authorized facilities, utilities, travel in support of the agreement and facility repairs and maintenance.

State owned buildings are not covered under the above two agreements and are the responsibility of the state to fund. There are 85 of these facilities throughout the state. Services provided to the buildings are personal services for the time spent maintaining the facility, utilities, janitorial supplies, travel and facility repairs and maintenance.

In addition to facility operational costs, communication expenses are budgeted in the Army Guard Program. Funding is by a federal contract with the state and covers all Army Guard facilities. The agreement establishes a set amount for each type of facility for federal costs with the state being responsible for the balance.

Purchasing and contracting for the department is provided through this program. The largest portion of this is provided to the Army Guard Program with 600 purchases being made and 72 service and construction contracts being let.

Base Funding

The Service Contract is a cost reimbursement agreement with 75% of the costs funded by the federal government and 25% funded by general fund. For the authorized facilities covered by this contract the following expenditure categories are allowed: personal services attributable to repairing and maintaining the facility, utilities, travel and repair and maintenance.

The Training Site Agreement is 100% federally funded and is a cost reimbursement contract. Expenditures for the facilities authorized under this contract include: personal services attributable to repairing and maintaining the respective facilities, utilities, travel and repair and maintenance.

The Communications Agreement is set by the federal funds allowed for communication expenses by Guard Units.

The remainder of the costs not covered by the above agreements are funded from the general fund.

Performance Indicators

	FY 90 Actual	FY 91 Appr	FY 92 Base	FY 93 Base
Service Contract buildings maintained	17	19	19	19
Training Site buildings maintained	90	90	90	90
Purchases	600	650	650	650
Contract let	72	75	80	85
Work Orders	600	650	700	750

Increase or Decrease from Base

<u>Item</u>	<u>Explanation</u>	<u>FISCAL 1992</u>	<u>FISCAL 1993</u>
Decrease from Base	The Executive Budget utilized FY 91 as the base year. This budget takes into account FY 90 actuals. Unexpended accruals and fixed cost reductions lower the current level request from the FY 91 level.	(\$40,894)	(\$42,939)
Reallocation	Federal authority was decreased in the Local Reimbursement Program in the amount of \$1,000,000. Part of this authority - \$254,000 for FY 92 and \$255,000 - was reallocated to the Army Guard Program to provide federal authority for the Training Site Contract.	\$254,220	\$255,371
Modification Request	The re-organization of the Army Guard has had a large impact on the state owned armories. This request will provide funding to attack the substantial maintenance backlog for the state buildings the agency is responsible for. This general fund request is for \$221,000 in FY 92 and \$103,000 in FY 93.	\$221,000	\$103,000

AIR NATIONAL GUARD

Fiscal 1990	Fiscal 1991		Fiscal 1992			Fiscal 1993		
	Actual	Appropriated	Base	Incr/Decr Recommended	Base	Incr/Decr Recommended	Base	Incr/Decr Recommended
Full Time Equivalent Employees	37.00	37.00	37.00	.00	37.00	.00	37.00	37.00
Personal Services	912,808.30	991,058	1,001,448	2,041	1,003,489	2,039	1,004,985	1,007,024
Operating Expenses	547,686.05	564,990	570,969	27,515	598,484	29,304	565,166	594,470
Total Agency Costs	\$1,460,494.35	\$1,556,048	\$1,572,417	\$29,556	\$1,601,973	\$31,343	\$1,570,151	\$1,601,494
General Fund	127,739.92	136,849	169,508	6,943	176,451	7,390	168,007	175,397
Federal Special Revenue Fund	1,332,754.43	1,419,199	1,402,909	22,613	1,425,522	23,953	1,402,144	1,426,097
Total Funding Costs	\$1,460,494.35	\$1,556,048	\$1,572,417	\$29,556	\$1,601,973	\$31,343	\$1,570,151	\$1,601,494

Overview - Air National Guard Program

The Air National Guard Program provides maintenance and fire protection support to the Air National Guard Base at Great Falls. This function supports the two missions of the Air Guard, federal and state. The federal mission is to provide a trained and equipped combat-ready air defense fighter group capable and ready for mobilization in time of war or national emergency. The state mission is to have a trained and equipped military organization available to assist in case of a state emergency or disaster.

Goals

o To enact a sound preventive maintenance program which is responsive to the requirements of the mission and the obligation to safeguard the taxpayers' investment in existing installed real property.

o To secure levels of funding that will provide sufficient maintenance, minimize replacement and protect the investment of millions of dollars in facilities and equipment.

Authorization

32 Stat. 775 Established the organized militia of the states called the National Guard.

10-1-102, M.C.A. Defines the powers and duties of the department.

Base Program

The Air National Guard Program, as stated above, has a role for the national defense of the country and a role for the state in case of emergencies or disasters. The state program for the Air Guard is one of providing the necessary assets and skilled personnel to prepare and sustain facilities at the air base in Great Falls. This is accomplished with an integrated military, federal and state work force capable of rapid transition between missions.

The source of funding for the Air Guard is the Air National Guard Operations and Maintenance (O&M) Agreement. This agreement has two components; fire fighters and maintenance. The fire fighter unit is a 24-hour per day operation. It has full capabilities for structural fire fighting and fire suppression and crash

rescue aircraft. The fire fighter unit is funded with 100% federal funds and only personal service expenditures are covered.

The maintenance component covers necessary maintenance and clerical personnel to maintain the facility's structures. Expenses covered are; personal services, utilities, repair and maintenance and contracted services. This component provides daily repair and maintenance and planned real property maintenance. Services provided to the Air Guard by this program are to 51 structures with a replacement value of over \$50 million.

Due to a change in the mission of the Air Guard there is a change in the funding of the O&M Agreement. Effective July 1, 1991 the funding will be 75% federal and 25% state. The current funding is 80% federal and 20% state. This new funding ratio is consistent with other units throughout the country with similar responsibilities.

Base Funding

The funding is provided from the federal O&M Agreement with the state match coming from the legislature. Funding for 31 fire fighters, two of which are contract employees, and one position that maintains real property inventory for the Air Guard are funded 100% by federal funds. The remainder of the agreement will be funded by 75% federal funds and 25% state general fund.

Performance Indicators

	FY 90	FY 91	FY 92	FY 93
	<u>Actual</u>	<u>Appr</u>	<u>Base</u>	<u>Base</u>
Work Orders	621	625	640	655
Real Property Maintenance Projects	42	50	55	50

Increase or Decrease from Base

<u>Item</u>	<u>FISCAL 1992</u>	<u>FISCAL 1993</u>
Modification Request	\$28,000	\$28,000

In 1986 a comprehensive preventive maintenance program was initiated. This increase is necessary to adequately support this program. The replacement costs of the buildings would be over \$50 million. The funding will be \$7,000 in general fund and \$21,000 in federal funds for each year of the 93 biennium.

Potential Impact

The department is currently involved in legal action due to a lawsuit filed by some employees of the fire fighting unit. The department is also in the process of negotiating a labor contract with the fire fighters.

DISASTER COORDINATION AND RESPONSE PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended
Full Time Equivalent Employees	13,00	13,00	13,00	.00	13,00	.00
Personal Services	374,625.06	408,360	393,475	901	394,376	899
Operating Expenses	72,150.12	139,200	138,855	-186	138,669	-139
Equipment	4,139.90	0	0	0	0	0
Total Agency Costs	\$450,915.08	\$547,560	\$532,330	\$715	\$533,045	\$760
General Fund	219,548.00	235,098	227,443	357	227,800	379
State Special Revenue Fund	0.00	12,000	12,000	0	12,000	0
Federal Special Revenue Fund	231,367.08	300,462	292,887	358	293,245	381
Total Funding Costs	\$450,915.08	\$547,560	\$532,330	\$715	\$533,045	\$760
					\$531,424	\$532,184

Overview-Disaster Coordination and Response Program

The Disaster Coordination and Response Program staff prepares, updates, coordinates, and tests all state emergency preparedness, response and recovery plans. Each county is responsible for its own preparedness and response plans and each has a county coordinator (full-time or part-time). The division, working through four district representatives, provides coordination and operational, technical, administrative and training support for each county. Every county has an emergency plan approved by its respective county government.

Operating 24 hours a day, seven days a week, the program staff coordinates and administers all state and federal response and recovery actions to any disaster beyond local governments' response and recovery capabilities.

The program staff also administers all federal money that is passed through to eligible political subdivisions. Counties are eligible for 50% reimbursement on costs related to civil defense.

Goals

- o Enhance the ability of state and local government to respond to catastrophic disasters occurring anywhere within the state.
- o Ensure the continuation of uninterrupted, legitimate leadership at both the state and local levels in the event of a catastrophic disaster.
- o Optimize the contributions of government, industry, and private organizations to state and local preparedness.
- o Enhance the ability of the State of Montana to alleviate suffering and hardship from emergencies or major disasters declared by the President and/or the Governor.
- o Provide state-wide leadership in earthquake preparedness and mitigation.
- o Enhance employee productivity and effectiveness.

Authorization

In addition to the requirements of Title 10, Montana Code Annotated, the following federal statutes mandate the activities of the Division:

Disaster Relief Act of 1974, 42 USC 5121, et seq., provides a system of grants to give federal financial assistance and enhance planning, preparedness, and mitigation.

P.L. 93-288, as amended by P.L. 100-707, 42 USC 5121 et seq., authorizes disaster assistance to individuals and to State and local governments following Presidentially declared emergencies and major disasters.

Earthquake Hazards Reduction Act of 1977, as amended, 41 USC 7701 et seq., enhances planning, preparedness, and research with respect to catastrophic earthquakes.

Emergency Planning and Community Right to Know Act of 1986, as amended, 42 USC 11001 et seq. (SARA Title III), enhances emergency response to accidental release of toxic substances.

Federal Civil Defense Act of 1950, as amended, 50 USC App. 2251 et seq., requires preparation of national plans and programs for civil defense, including measures designed to protect life and property from the effects of attack and natural disasters; develops communications and dissemination of warnings; supports the program via materials, facilities, financial contributions, and other assistance to the States, dissemination of public information, and training.

Base Program

As the principal program for assisting the Governor and locally elected officials in fulfilling their disaster and emergency responsibilities, the Disaster Coordination and Response Program provides an all encompassing emergency management system which includes the following elements:

The Emergency Management Assistance (EMA) element assists in developing a trained and experienced staff of emergency management professionals in order

to increase the operational capability for emergency management at state and local levels of government. These organizations are essential in coordinating and managing preparedness programs for which they are primarily responsible.

- The office of the Administrator is responsible for formulating policy for all three programs (i.e., Disaster Coordination and Response, Emergency Management Development, and Local Reimbursement) within the Division.

- In the event of a disaster or emergency, the Administrator is responsible for overall coordination of the state disaster response with local government, federal agencies, and private/voluntary relief organizations. As the Governor's authorized representative, the incumbent is authorized to commit resources and personnel and to expend state funds as part of the recovery effort.

- The program staff also provides administrative, purchasing, and personnel functions for the Division, and administers all federal funding that is passed through to eligible political subdivisions.

- In the event of a State or Federally declared emergency or disaster, all accounting functions are performed by program staff personnel, to include the authorized reimbursements to affected local government subdivisions or individuals which would involve federal disaster recovery funds and/or the Governor's Disaster Fund.

The Individual Mobilization Augmentees (IMA) element provides assistance to emergency management organizations by making available skilled military reservists to augment civilian staffs in preparedness activities and during management of emergency operations.

The Disaster Preparedness Improvement (DPI) element develops and maintains State and local capabilities for responding to, recovering from, and mitigating against, the effects of natural hazards. The DPI program prepares state and local governments to perform functions in support of the requirements and programs of the Federal Disaster Relief Act Amendments (P.L. 100-707). They include the development of plans, programs, and capabilities in such areas as damage assessment, individual assistance, temporary housing, public assistance, disaster operations, and development of short- and long-term strategies for the reduction, avoidance, or mitigation of future disaster losses.

The State and Local Direction, Control and Warning (DC&W) element builds an emergency management direction and control capability at the state and local levels of government, nationwide. The elements in the program are Maintenance and Services (M&S), Emergency Operating Centers (EOC), Warning and Communications Systems (W&CS), Communications and Warning Planning (C&WP), Broadcast Station Protection Program (BSPP), Emergency Broadcast System (EBS), Electromagnetic Pulse (EMP) Protection and Technical Support,

and Emergency Support Services.

- The M&S sub-element assists state and local governments with certain preventive maintenance and with repair and replacement costs of maintaining the operational readiness of emergency equipment and facilities, alerting and warning systems, and emergency communications systems.

- The EOC sub-element promotes construction of fully equipped structures to serve as secure command and control facilities in responding to a range of emergencies.

- The W&CS sub-element assists state and local jurisdictions in enhancing their existing direction and control communications and alerting and warning capabilities or in creating such capabilities where none exist.

The Earthquake Preparedness (EP) element reduces seismic risks through earthquake public awareness, preparedness, and mitigation activities.

The Emergency Management Training (EMT) element provides and enhances a training management and delivery network for Federal/State/local/private/volunteer sector emergency program managers, and to provide training to other personnel, who are impacted by comprehensive emergency management and IEMS functions to enable them to respond to emergency management events and policies quickly and efficiently.

The Hazardous Materials Training (HMT) element, under SARA Title III, provides specialized training to emergency responders, Local Emergency Planning Committees, State Emergency Response Commission, private industry and the general public.

Objectives

The objectives of the Disaster Coordination and Response Program are numerically listed in the "Performance Indicators" section.

Base Funding

The Disaster Coordination and Response Program is funded by federal grants and general funds. Federal funding received is from the Federal Emergency Management Agency (FEMA), through four distinct federal programs. Each federal source stands alone and is allocated to the division based upon an established work effort as negotiated with FEMA on a federal fiscal year basis through the means of a Comprehensive Cooperative Agreement.

The four federal funding sources are:

- a) Emergency Management Assistance (EMA). This federal funding requires a 50% state match;
- b) Disaster Preparedness Improvement (DPI). This federal funding, limited to \$50,000, also requires a 50% state match;
- c) Emergency Management Training (EMT). This funding is 100% federal. The funding is restricted and may be utilized only to cover travel expenses for the training of staff personnel while attending FEMA authorized training courses;
- d) Hazardous Materials Training (HMT). Authorized under the Superfund Amendments and Reauthorization Act (SARA). This federal funding requires a 25% state match. Currently the state share may be met by an in-kind (soft) match. This soft match is primarily based upon expenditures incurred by the State Emergency Response Commission (SERC). The state share may require a hard (cash) match, a possibility that also existed during the 1989 legislative session. As a result, the legislature appropriated from the State Special Revenue Fund (Resource Indemnity Trust Fund) the required state hard match to cover this contingency.

DEPARTMENT OF PUBLIC HEALTH



**PROTECT & PROMOTE THE HEALTH OF
THE PEOPLE OF MONTANA**

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DEPARTMENT OF PUBLIC HEALTH

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	309.85	313.36	178.57	13.50	192.07	178.57	13.50	192.07
Personal Services	7,890,033.22	9,428,675	5,251,516	445,768	5,697,284	5,248,081	444,168	5,692,249
Operating Expenses	8,158,893.23	14,742,569	4,297,297	560,655	4,857,952	4,309,850	527,555	4,837,405
Equipment	377,049.22	154,588	16,035	326,879	342,914	16,035	34,632	50,667
Grants	7,791,083.12	8,467,310	7,031,612	1,634,000	8,665,612	7,031,612	2,642,000	9,673,612
Benefits and Claims	6,147,358.10	9,847,521	6,053,709	453,540	6,507,249	6,053,709	450,909	6,504,618
Total Agency Costs	\$30,364,416.89	\$42,640,663	\$22,650,169	\$3,420,842	\$26,071,011	\$22,659,287	\$4,099,264	\$26,758,551
General Fund	3,178,035.91	3,701,004	2,896,234	1,078	2,897,312	2,900,086	46,065	2,946,151
State Special Revenue Fund	5,364,245.64	9,886,900	1,266,019	219,498	1,485,517	1,265,065	139,875	1,404,940
Federal Special Revenue Fund	20,890,458.95	28,067,256	17,526,162	3,191,208	20,717,370	17,530,255	3,903,912	21,434,167
Proprietary Fund	931,676.39	985,503	961,754	9,058	970,812	963,881	9,412	973,293
Total Funding Costs	\$30,364,416.89	\$42,640,663	\$22,650,169	\$3,420,842	\$26,071,011	\$22,659,287	\$4,099,264	\$26,758,551
Director's Office	438,100.96	471,302	459,770	227,401	687,171	459,787	228,429	688,216
Central Services	2,397,869.15	2,417,009	2,363,265	104,634	2,467,899	2,358,379	26,193	2,384,572
Environmental Sciences	2,868,975.36	3,193,581	833,770	112,349	946,119	834,797	112,428	947,225
Solid/Hazardous Waste	4,241,628.33	10,316,494	0	0	0	0	0	0
Water Quality	2,205,448.09	2,762,337	0	0	0	0	0	0
Health Services/Medical Fac	788,464.10	875,600	861,873	-79,920	781,953	863,474	-80,068	783,406
Family/Maternal & Child Health	13,853,419.87	14,829,150	14,730,459	2,589,111	17,319,570	14,730,160	3,394,297	18,124,457
Preventive Health	1,655,436.71	1,765,657	1,786,049	-161,339	1,624,710	1,794,468	-161,046	1,633,422
Licensing And Certification	1,037,798.81	1,609,533	1,614,983	628,606	2,243,589	1,618,222	579,031	2,197,253
Petro Tank Release Comp Board	877,275.51	4,400,000	0	0	0	0	0	0
Total Program Costs	\$30,364,416.89	\$42,640,663	\$22,650,169	\$3,420,842	\$26,071,011	\$22,659,287	\$4,099,264	\$26,758,551

Mission and General Description

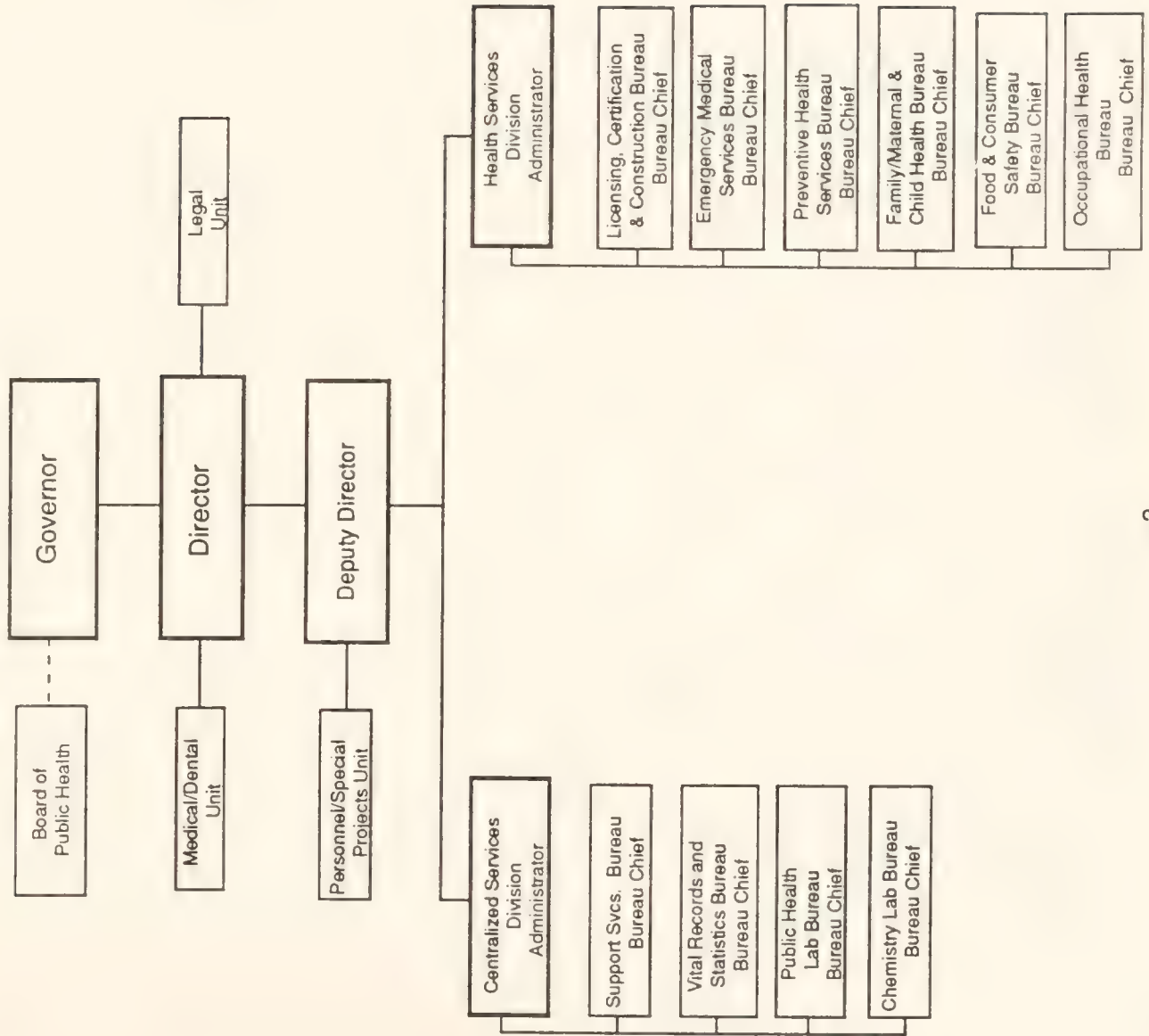
The Department of Public Health was created to protect and promote the health of the people of Montana through the implementation of beneficial public health programs and the enforcement of public health laws and regulations. It is the responsibility of the department staff to assess health care needs and problems in cooperation with local and private sources, to develop and implement programs designed

to meet health needs and alleviate problems, and to continually evaluate current public health programs.

The Department administers the maternal and child health block grant and the preventive health block grant and categorical grants from the federal government. Examples of categorical grants are federal funding for AIDS, Immunization, Chronic Disease and Sexually Transmitted Diseases.

The department is provided for in section 2-15-2101, MCA, and its general powers and duties are specified in section 50-1-202, MCA.

DEPARTMENT OF PUBLIC HEALTH ORGANIZATION CHART



PROGRAM 01 - DIRECTOR

Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees							
9.00	10.00	10.00	1.00	11.00	10.00	1.00	11.00
Personal Services	358,627.63	379,737	85,727	465,464	379,253	85,597	464,850
Operating Expenses	78,223.33	79,665	142,042	221,707	80,166	143,200	223,366
Equipment	1,250.00	368	-368	0	368	-368	0
Total Agency Costs	\$438,100.96	\$459,770	\$227,401	\$687,171	\$459,787	\$228,429	\$688,216
General Fund	199,811.98	214,974	30,504	245,478	214,745	30,846	245,591
State Special Revenue Fund	503.80	1,440	-1,440	0	1,440	-1,440	0
Federal Special Revenue Fund	12,000.00	0	93,087	93,087	0	93,632	93,632
Proprietary Fund	225,785.18	243,356	105,250	348,606	243,602	105,391	348,993
Total Funding Costs	\$438,100.96	\$459,770	\$227,401	\$687,171	\$459,787	\$228,429	\$688,216

Overview

The Director's Program provides for the overall management and policy development of the Department.

Included in this program are the Director's Office which includes Personnel, Board of Health, Medical/Dental Unit, and the Legal Office.

OFFICE OF THE DIRECTOR

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	6.00	7.00	7.00	1.00	8.00	7.00	1.00	8.00
Personal Services	256,320.56	283,285	270,966	86,293	357,259	270,706	86,190	356,896
Operating Expenses	53,537.41	48,355	49,861	137,913	187,774	50,252	139,017	189,269
Total Agency Costs	<u>\$309,857.97</u>	<u>\$331,640</u>	<u>\$320,827</u>	<u>\$224,206</u>	<u>\$545,033</u>	<u>\$320,958</u>	<u>\$225,207</u>	<u>\$546,165</u>
General Fund	72,072.79	79,228	77,471	168,007	245,478	77,356	168,235	245,591
Federal Special Revenue Fund	12,000.00	0	0	93,087	93,087	0	93,632	93,632
Proprietary Fund	225,785.18	252,412	243,356	-36,888	206,468	243,602	-36,660	206,942
Total Funding Costs	<u>\$309,857.97</u>	<u>\$331,640</u>	<u>\$320,827</u>	<u>\$224,206</u>	<u>\$545,033</u>	<u>\$320,958</u>	<u>\$225,207</u>	<u>\$546,165</u>

Overview

Montanans with a healthful living environment;

The Office of the Director is responsible for the overall management and program support for the Department. The Director's Office coordinates and provides policy development, administration and all personnel functions for the Department.

The Board of Health is a quasi-judicial board appointed by the Governor to advise the Department of Public Health (DPH) in public health matters.

The Medical/Dental Unit is responsible for providing professional and technical advice on medical and oral health issues which arise and are essential to the health of the citizens of Montana.

Goals

1. To provide coordination and direction to all DPH programs;
2. To provide leadership necessary for all DPH programs to work collectively and cooperatively in providing
7. To provide for the equitable and fair treatment of all department employees.
8. To provide professional and technical medical advice on public and oral health issues

Authorization

2-15-2101, MCA provides for the Department.

50-1-202, MCA specifies the general powers and duties of the Department.

Base Program

Provides for the overall administrative, medical and policy direction to the Department of Public Health (DPH).

Provide professional and administrative direction to the operation and management of the State DPH.

Enforce applicable public health laws and regulations of the State of Montana.

Provide an advocacy for identification and resolution of public health needs throughout Montana.

Serve as the official channel of communication between the State DPH and the general public to disseminate information about health concerns, and as a communications link between agency bureaus and staff.

Personnel Unit: Furnish staff support and direction in the administration of all personnel management for the Department.

Board of Health: The Board of Health is a quasi-judicial board appointed by the Governor to advise the Department of Public Health in public health matters. The Director serves as secretary, by law, to the Board of Health.

Medical/Dental Unit: During the last legislative session HB 37 removed the medical degree requirement for the position of Director of Health and Environmental Sciences. Creating a Medical/Dental Advisory Unit staffed by physicians and dentist attached to the Director's Office would provide for necessary medical and dental direction and consultation to the Director and Department as a whole.

Base Funding

The Director's office is funded with general fund and indirect costs (proprietary). The Director's salary is funded with the general fund. Other costs are funded by a uniform charge (Indirect Cost Assessment) to all programs. The charge is reviewed on an annual basis by the federal government.

The Board of Health is funded with 100% general funds.

The Medical/Dental Unit is funded with General Fund and MCH Block Grant.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
-- Administrative Meetings	52	52	52	52
-- Positions Advertised	160	160	160	160
-- Meetings with Industry	200	200	200	200
-- Meetings with Cabinet	104	104	104	104
-- Staff Meetings	400	400	400	400
-- Inter-Agency Meetings	200	200	200	200
-- Correspondence Replied to	500	500	500	500
<u>Dental Program</u>				
-- School fluoride/rinse programs-school systems	36	42	50	50
-- School toothbrush & oral hygiene education (children served)	4,500	5,000	5,500	5,500
-- School dental screening program (schools)	30	40	50	50
-- Allied health education (health professionals trained)	100	100	100	100
-- Dental consultation - state programs	10	10	10	10
-- Dental consultation - professional organizations	10	10	10	10
-- Coordination with MDA groups	10	10	10	10
-- Dental health needs assessment (annual)	1	1	1	1

Increases/Decreases to Base

There is an increase in General Fund for legal services due to the implementation of the charge system. Due to the reorganization of the Medical/Dental Unit there is a net increase of 1.00 FTE funded through General Fund and the MCH Block Grant. The Director's Office budget reflects a reduction of 1.00 FTE and \$34,000 in personal services authority due to a long-term vacancy in a position budgeted as an administrative officer. The Department has subsequently proposed, with the concurrence of the administration, restoration of this position in the budget.

LEGAL OFFICE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	3.00	3.00	3.00	.00	3.00	.00
Personal Services	102,307.07	111,060	108,771	-566	108,547	-593
Operating Expenses	24,685.92	28,234	29,804	4,129	29,914	4,183
Equipment	1,250.00	368	368	-368	368	-368
Total Agency Costs	\$128,242.99	\$139,662	\$138,943	\$3,195	\$138,829	\$3,222
						\$142,051
General Fund	127,739.19	138,222	137,503	-137,503	137,389	-137,389
State Special Revenue Fund	503.80	1,440	1,440	-1,440	1,440	0
Proprietary Fund	0.00	0	0	142,138	0	142,051
Total Funding Costs	\$128,242.99	\$139,662	\$138,943	\$3,195	\$138,829	\$3,222
						\$142,051

Overview

The legal unit is responsible for all legal work of the Department, including litigation, enforcement, administration, proceedings, drafting of rules and legislation, issuing legal opinions, and advising program personnel, department policymakers, local health officials and the general public on legal and administrative matters.

Goals

Serve as legal counsel for the Department's health programs.

- Provide thorough and competent representation to the Director's Office and the Bureaus in all legal matters affecting the Department. These matters specifically include the resolution of issues, informally or formally in a judicial or administrative setting, pursuant to statutes and rules which the Department has a duty to enforce.
- Provide written and oral advocacy in all forums in contested administrative cases, court litigated cases as defendants and plaintiffs.

- Provide legal advice and consultation to Department management and personnel in the form of written and oral opinions upon research and discussion.
- Formulate legal strategy and implement the strategy on behalf of the Department, through legal advocacy and structured negotiation.
- Draft rules and legislation and provide testimony, if necessary.
- Provide legal support and input to the Governor's Office.
- Respond to inquiries of a legal nature from the Board of Health, other public agencies, legislators, and members of the public.
- Provide supervision of legal and support staff.
- Conduct administrative responsibilities associated with running the legal unit including evaluations, budget maintenance, and hiring attorneys.
- Draft contracts for the entire Department for the purpose of implementing state and federally funded programs and research projects.

Authorization

Section 2-15-2101, MCA--establishes the Department of Health (DPH).
Title 20, chapter 5, part 4, MCA--gives DPH the power to establish immunization requirements for those

attending preschool, primary and secondary school, and postsecondary schools.

Section 50-1-102, MCA--designates the attorney general as legal advisor to DPH and the Board of Health (DPH lawyers are designated by the attorney general as special assistant attorneys general).

Section 50-1-202, MCA--establishes general duties and powers of DPH.

Title 50, chapter 5, MCA--gives DPH the power to license health care facilities and conduct certificate of need reviews.

Title 50, chapter 6, MCA--gives DPH the power to license emergency medical services.

Section 50-9-110, MCA--gives DPH the power to regulate activities under the Living Will Act.

Title 50, chapter 15--gives DPH the power to regulate collection and uses of vital statistics and to conduct a tumor registry.

Title 50, chapter 15, part 7--gives DPH the power to regulate notification of emergency medical service providers when they may have been exposed to a communicable disease.

Title 50, chapter 17--gives DPH the power to control spread of tuberculosis.

Title 50, chapter 18--gives DPH the power to control spread of sexually transmitted diseases.

Title 50, chapter 19, part 1--gives DPH the power to regulate provision of serological tests to pregnant women.

Title 50, chapter 19, part 2--gives DPH the power to conduct a state genetics program.

Title 50, chapter 19, part 3--gives DPH the power to conduct the Montana Initiative for the Abatement of Mortality in Infants (MIAMI).

Title 50, chapter 23--gives DPH the power to prevent possession of wild pets in order to control rabies.

Title 50, chapter 30--gives DPH the power to implement the Montana Consumer Product Safety Act.

Title 50, chapter 31--gives DPH the power to implement the Montana Food, Drug, and Cosmetic Act.

Title 50, chapter 34--gives DPH the power to regulate flour and bread.

Title 50, chapter 50--gives DPH the power to regulate food service establishments.

Title 50, chapter 51--gives DPH the power to regulate

hotels, motels, roominghouses, boardinghouses, retirement homes, and tourist homes.

Title 50, chapter 52--gives DPH the power to regulate tourist campgrounds, trailer courts, and work and youth camps.

Title 50, chapter 53--gives DPH the power to regulate swimming pools.

Sec. 52-2-735, MCA--gives DPH the power to regulate day care centers to protect the health of children in them.

Title 75, chapter 2, part 5--gives DPH the power to enforce the Asbestos Control Act.

Title 75, chapter 3--gives DPH the power to regulate sources of ionizing radiation.

Base Program

The legal unit handles legal cases, manages caseloads, develops Montana Administrative Rules, drafts legislation, drafts contracts and provides legal consultation for the Department of Public Health.

The objectives of the legal unit are to handle approximately 175 contested or litigated cases, develop or amend administrative rules, draft legislation for maintenance of approximately 25 programs, develop 750 contracts per year, and provide approximately 1000 (individual day to day legal consultations) upon request per attorney in a one-year time period. These objectives will increase proportionately to include a growth in the demand for services of 15% in the next year and 5% per year thereafter, consistent with the current 5-year trend. Staff caseloads will increase to accommodate the growth in demand for legal services. The objectives for the clerical section assume a 5% increase in output due to greater experience of the staff with existing automated equipment.

Base Funding

The Legal Unit is funded by General Fund plus \$1,440 in State Special Revenues.

Increases/Decreases

The Legal Unit funding has been changed to a fee for service and has been put in a proprietary account.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
<u>Legal Cases Handled</u>				
-- Cases or administrative matters initiated in FY90	35	40	42	44
-- NOV's or Administrative Orders issued	15	17	18	19
-- Complaints filed	20	23	24	25
-- Complex (multiple party or multiple site) litigation	2	2	2	2
-- Cases favorably settled or rulings favorably issued in FY90	25	29	31	33
-- Testimony written for legislative purposes	NA	38	NA	48
-- Enforcement cases carried over from previous years and handled simultaneously with new cases	87	100	105	110
-- Appearances at Board hearings	20	23	24	25

Legal Consultation

-- Legal consultations to Dept. personnel per attorney per year	720	828	869	910
-- Responses to public per attorney per year	35	40	42	44
-- Responses to Inter-governmental requests per attorney per year	50	57	60	63

Rulemaking and Legislation

-- Sets of rules drafted	16	18	19	20
-- Legislation drafted	28	10	33	15

	<u>FY90</u> <u>Actual</u>	<u>FY91</u> <u>Enacted</u>	<u>FY92</u> <u>Base</u>	<u>FY93</u> <u>Base</u>
<u>Contracts</u>				
-- Contracts written	750	862	905	948
-- Contracts managed for receipt of retained legal services	2	2	2	2
<u>Staff Supervision</u>				
-- Attorneys supervised	6	6	6	6
-- Clerical supervised	2	2	2	2
<u>Clerical</u>				
-- Letters and memos	567	596	626	656
-- Contracts typed	750	862	905	948
-- Telephone calls recd.	8060	8460	8860	9260
-- Rulemaking and replacement pages (pages of text)	350	367	384	401
-- Mail reviewed	6500	6825	7150	7475

PROGRAM 02 - CENTRALIZED SERVICES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	60.50	60.50	60.50	-2.00	58.50	60.50	-2.00	58.50
Personal Services	1,449,094.55	1,603,810	1,590,788	-31,589	1,559,199	1,590,531	-31,655	1,558,876
Operating Expenses	703,827.98	811,272	770,550	56,986	827,536	765,921	57,848	823,769
Equipment	244,946.62	1,927	1,927	79,237	81,164	1,927	0	1,927
Total Agency Costs	\$2,397,869.15	\$2,417,009	\$2,363,265	\$104,634	\$2,467,699	\$2,358,379	\$26,193	\$2,384,572
General Fund	598,317.97	668,329	609,931	74,160	684,091	610,026	76,039	686,065
State Special Revenue Fund	932,017.18	843,684	864,862	124,987	989,849	858,055	45,256	903,311
Federal Special Revenue Fund	161,642.79	171,905	170,074	1,679	171,753	170,019	877	170,896
Proprietary Fund	705,891.21	733,091	718,398	-96,192	622,206	720,279	-95,979	624,300
Total Funding Costs	\$2,397,869.15	\$2,417,009	\$2,363,265	\$104,634	\$2,467,699	\$2,358,379	\$26,193	\$2,384,572

Overview

The Centralized Services Division provides support services for the department in the areas of financial reporting, budgeting, accounting, grants and contracts management, statistical services, record keeping, laboratory services and other support activities as required to promote and protect the health and safety of Montana citizens. The division consists of four (4) bureaus; Supports Services, Vital Records and Statistics, Chemistry Laboratory and the Public Health Laboratory.

DIVISION ADMIN. & SUPPORT SERVICES BUREAU ACTIVITY

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
				Recommended		Recommended
Full Time Equivalent Employees	20.50	20.50	20.50	-4.00	20.50	-4.00
Personal Services	517,534.01	559,915	551,569	-88,384	551,309	-88,375
Operating Expenses	193,406.16	189,157	182,810	-7,064	184,951	-6,893
Equipment	12,578.00	1,927	1,927	0	1,927	0
Total Agency Costs	\$723,518.17	\$750,999	\$736,306	\$-95,448	\$738,187	\$-95,268
State Special Revenue Fund	17,626.96	17,908	17,908	744	17,908	711
Proprietary Fund	705,891.21	733,091	718,398	-96,192	720,279	-95,979
Total Funding Costs	\$723,518.17	\$750,999	\$736,306	\$-95,448	\$738,187	\$-95,268

Overview

The Division administration is responsible for establishing goals and objectives for the division and monitoring the daily activities of the individual bureaus. The division administrator is the designated Financial Officer for all federal grants and the Contracting Officer for departmental contracts with private individuals/organization and other governmental units of state and local government. The administrator reports on the financial and programmatic accomplishments of the department and the status of its work to higher authorities, including the director, Governor, appropriate legislative groups, federal agencies and the general public.

health services and vital statistical data. 3) to assure the department and the division operates as efficiently and cost-effective as possible within available resources. 4) to provide the necessary liaison with other state, local and federal government agencies as well as the general public, industry, and special interest groups. 5) to maximize the amount of funding, from federal and other sources, the department may receive for the promotion and protection of the health of Montana's citizens.

Authorization

MCA 50-1-202, subsections (1), (2), (3), (7), (16), (18), (20)

Base Program

The Division Administration provides the oversight and coordination of the DPH support services programs and manages the financial affairs of the department. The division administrator is designated as the Financial, Budget and Contracts Officer for all grants and contracts received or entered into by the department.

Goals

The goals of the Division Administration is to; 1) Provide coordination and direction to DPH support service programs as well as other divisions within the department. 2) to provide leadership necessary for programs to work collectively and cooperatively in providing the department with required levels of support services and providing Montana citizens with access and information to public

The Division Administration oversees the business affairs of the Department and the four bureaus in the division (Support Services, Vital Records and Statistics, Chemistry Laboratory and the Public Health Laboratory. The division is authorized 60.50 F.T.E. and an annual budget in excess of 2.3 million dollars. Division administration consists of 3 FTE.

Base Funding

The Centralized Services Division Administration program is funded by a uniform charge (Indirect Costs assessment) to all programs within the agency. This rate must be reviewed and approved by the federal government on an annual basis.

Overview

The Support Services Bureau provides support services for the Department of Public Health.

Goals

Provide support services for the Department of Public Health.

Program Objectives

To provide financial accountability.
To maintain central accounting records.
To produce expenditure reports for all federal grants.
To provide central procurement/purchasing function.
To provide central mail function.
To provide central audit function.
To provide central cashier function.
To provide word processing services.
To provide data processing services.
To provide film library services.

Authorization

1. 2-15-2101, MCA, 50-1-202, MCA
2. 40 CFR Part 33
3. 40 CFR Part 30
4. Federal Circulars A-87 and A-102

Base Program

The Support Services Bureau contains the following units:

- (1) Financial Unit.
 - (a) Financial reporting section
 - (b) Accounts receivable section
 - (c) Accounts payable section

- (d) Cash receipts section
- (e) Purchasing and receiving section
- (f) Mail section
- (g) Audit section

- (2) Word Processing Unit.
- (3) Data Processing Unit.
- (4) Film Library Unit.

Each of these units provides a service to the Department and to the general public.

- (1) Financial Unit.
 - (a) Financial reporting unit
 - (1) This section is responsible for:
 - (a) Prepare, review and implement DPH budget.
 - (b) maintaining the Department's accounting system.
 - (c) producing federal expenditure reports.
 - (d) Producing financial reports.
 - (e) Preparing grant requests.

- (b) Accounts receivable section

- (1) This section is responsible for:
 - (a) billing all persons that owe the Department money for any work performed or licenses issued.
 - (b) maintaining records of all accounts receivable transactions.
 - (c) Pursuing collection of aged accounts receivable.

- (c) Accounts payable section

- (1) This section is responsible for:
 - (a) paying all of the bills of the Department.
 - (b) maintaining control of contract

encumbrances and payments on contracts.

- (c) maintaining accounting records of all payment transactions.

(d) Cash Receipts section

- (1) This section is responsible for:

- (a) the receipt and deposit of all cash received by the Department.
- (b) maintaining records of all cash receipts.

(e) Purchasing and Receiving section

- (1) This section is responsible for:

- (a) procuring all supplies, equipment and services needed by the Department.
- (b) documenting receipt of all supplies and equipment received by the Department.
- (c) maintaining records of purchase transactions.

(f) Mail section

- (1) This section is responsible for:

- (a) processing all outgoing mail and freight to assure the proper rates and the least expense method of delivery is used.
- (b) processing and delivery of all incoming mail, freight, and supplies.
- (c) accounting for the cost of all outgoing mail and freight.

(g) Audit Section

- (1) This unit is responsible for:

- (a) establishing a system to assure that all required audits are received.
- (b) reviewing audits received from

subcontractors to assure that the audits meet all requirements.

- (c) initiating action to recover funds if an audit shows that funds were spent in error.

(2) Word Processing Unit.

- (1) This unit is responsible for:

- (a) assisting the agency's operating units to produce large volume documents.
- (b) assisting operating units with daily output if the units cannot keep pace with the workload.

(3) Data Processing Unit.

- (1) This unit is responsible for:

- (a) coordinating agency data processing.
- (b) reviewing requests for new equipment and software.
- (c) writing computer programs.
- (d) trouble shooting problems that other units have with their computers or programs.
- (e) operating the Department's data processing network.

(4) Film Library.

- (1) This unit is responsible for:

- (a) scheduling films for use by Department personnel and by other health professionals.
- (b) maintaining the Departmental film library and equipment.
- (c) Scheduling and maintaining films for the Department of Institutions, Alcohol and Drug Abuse Division.

Base Funding

The Support Services Bureau is funded by a uniform charge (Indirect Cost assessment) to all programs within the agency. This rate must be reviewed and approved by the federal government on an annual basis; with the exception of the Film Library which is funded by fees for service.

Performance Indicators

	FY90	FY91	FY92	FY93
	<u>Actual</u>	<u>Enacted</u>	<u>Base</u>	<u>Base</u>
Claims Paid	9,777	11,244	12,930	14,870
No Warrant Transfers	792	911	1,047	1,205
Accounts Receivable	4,523	5,201	5,981	6,878
Cash Receipts	39,281	45,173	51,948	59,741
Encumbrance Estimates	609	700	805	926
Journal Vouchers	1,076	1,237	1,422	1,636
Purchasing (APO's)	2,657	3,055	3,513	4,040
Purchasing (PO's)	44	50	58	66
Printing	1,205	1,385	1,593	1,832
Bids	200	229	264	303
Printing (PO's)	39	45	52	59
Central Stores Orders	684	787	905	1,040
Other Purchase Trans.	2,160	2,484	2,857	3,285
Contracts	540	621	714	821
Films Scheduled	1,826	2,099	2,414	2,776

Increase or Decrease from Base

Due to the reorganization of the Departments of Public (DPH), Natural Resources and Environment (DNRE), and State Lands (DSL) the Support Services Bureau will have the following decreases to the base budget:

- 1) 4.00 FTE, personal services costs, and operating costs (\$97,011 FY 92 and \$96,917 FY 93) from the current level will be transferred to DNRE.
- 2) 1.00 FTE, personal services costs, and operating costs from the modified level will be transferred to DNRE.

These transfers will leave 13.50 FTE and a budget of \$476,177 in FY 92 and \$476,076 in FY 93 for the Support Services Bureau. This should be adequate to provide the full range of support services to the newly reorganized Department of Public Health.

LAB SERVICES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	24.00	24.00	24.00	2.00	26.00	24.00	2.00	26.00
Personal Services	600,544.61	660,059	663,454	55,952	719,406	663,976	55,882	719,858
Operating Expenses	390,177.51	482,283	454,529	49,349	503,878	455,953	49,874	505,827
Equipment	232,368.62	0	0	79,237	79,237	0	0	0
Total Agency Costs	<u>\$1,223,090.74</u>	<u>\$1,142,342</u>	<u>\$1,117,983</u>	<u>\$184,538</u>	<u>\$1,302,521</u>	<u>\$1,119,929</u>	<u>\$105,756</u>	<u>\$1,225,685</u>
General Fund	341,595.89	358,229	318,789	62,092	380,881	319,508	62,171	381,679
State Special Revenue Fund	814,752.01	717,276	732,357	122,446	854,803	733,584	43,585	777,169
Federal Special Revenue Fund	<u>66,742.84</u>	<u>66,837</u>	<u>66,837</u>	<u>0</u>	<u>66,837</u>	<u>66,837</u>	<u>0</u>	<u>66,837</u>
Total Funding Costs	<u>\$1,223,090.74</u>	<u>\$1,142,342</u>	<u>\$1,117,983</u>	<u>\$184,538</u>	<u>\$1,302,521</u>	<u>\$1,119,929</u>	<u>\$105,756</u>	<u>\$1,225,685</u>

Overview

The Chemistry Laboratory Bureau provides analytical and consulting services to the health programs of the Department, other state, local, and federal agencies and to the general public. Analyses are conducted on a wide variety of matrices, including water, air, wastes, soils, foodstuffs and body fluids. The samples are tested for an ever-widening array of organic and inorganic elements and compounds.

Goals

It is the goal of the Chemistry Laboratory Bureau to:

- Determine accurately and in a timely manner, the concentrations of contaminants in public water systems, wastewaters, and the surface and groundwaters of Montana.
- Determine accurately and in a timely manner, the concentrations of contaminants and the amount of particulates in environmental and occupational air samples.
- Determine accurately and in a timely manner, the concentrations of contaminants in wastes and perform characteristic tests to determine whether the wastes are hazardous.
- Determine accurately and in a timely manner, the concentrations of contaminants in foodstuffs and other commercial products, and body tissues.

- Maintain and improve a certification program for laboratories analyzing Montana's public water supplies.
- Provide training and technical assistance to local, state and commercial laboratories involved in environmental monitoring.
- Respond adequately to new federal and state regulations expanding the requirements for environmental testing.

Authorization

50-1-202(7) MCA: Establish laboratory services in the Department of Public Health
 PL 93-523: Safe Drinking Water Act
 75-6-101 et. seq. MCA: Montana Public Water Supplies
 33 U.S.C. 466: Federal Water Pollution Control Act
 75-5-101 et. seq. MCA: Montana Water Quality Act
 42 U.S.C. 7401: Clean Air Act (as amended)
 75-2-101 et. seq. MCA: Clean Air Act of Montana
 42 U.S.C 6901: Resource Conservation and Recovery Act (as amended)
 75-10-401 et. seq. MCA: Montana Hazardous Waste and Underground Storage Tank Act
 42 U.S.C 9601: Comprehensive Environmental Resource, Compensation and Liability Act (as amended)
 75-10-701 et. seq. MCA: Comprehensive Environmental Cleanup and Responsibility Act
 50-70-101 et. seq. MCA: Occupational Health
 50-50-101 et. seq. MCA: Food Establishments
 50-31-101 et. seq. MCA: Food, Drug and Cosmetic Act.

Base Program

In order to fulfill its public health and environmental missions, the Chemistry Laboratory Bureau will meet the following objectives.

- Maintain the capability to perform at least 70,000 analyses annually on air, water, wastes, food, soils and body tissues.
- Maintain certification and proficiency by enrolling in such programs from the EPA, USGS, CDC and NIOSH.
- Evaluate all laboratories requesting licensure to analyze Montana's public water supplies. The current laboratory licensing program includes fifteen laboratories.
- Respond to all requests for technical assistance from programs within the DPH and from municipal, industrial and commercial laboratories. A minimum of three performance Audit Inspections will be performed at MPDES permittee laboratories.
- Update equipment and training to meet the increased demand for organic analyses of drinking water, groundwater and wastes. the following indicate the increased demand for organic analyses. The values are number of analyses.

	FY87	FY88	FY89	FY90	FY91	FY92	FY93
Inorganic	23,068	23,482	33,331	33,000	33,000	33,000	33,000
Organic	559	2,420	15,000	20,000	20,000	40,000	40,000

Figures for fiscal years 1990 through 1993 are estimated.

Base Funding

The Chemistry Laboratory Bureau is funded 27 percent by General Funds and 73 percent by special revenue funds generated by fees for laboratory services.

Performance Indicators

Number of Analyses

Water	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
Air	36,000	40,000	50,000	50,000
Wastes	9,000	9,000	10,000	10,000
Other	5,000	5,000	10,000	10,000
	2,000	2,000	3,000	3,000

Number of Certified Laboratories

In-state	7	8	9	9
Out-of-state	8	9	10	10

Increase or Decrease from Base

Recent and upcoming changes in the Federal and State Drinking Water regulations require that public water supplies be monitored for additional contaminants by June 1992. Among these contaminants are several carbamate pesticides such as aldicarb and carbaryl. The only approved method for analysis of carbamate pesticides in drinking water is EPA number 531.1. This method uses a High Pressure Liquid Chromatograph (HPLC) with post-column derivitization and fluorescence detection. Our HPLC, purchased in 1980, has a poor repair record and is not equipped for carbamate pesticide analysis. A replacement HPLC for analysis of carbamates is needed. The cost would be approximately \$32,000. The funding source would be fee funds.

The changes in Federal environmental regulations are placing a heavy demand on laboratory testing. The Safe Drinking Water regulations require additional testing for all community water supplies. The Hazardous Waste regulations require much more extensive testing to determine if a waste should be treated as hazardous. Changes in the Clean Air Act will result in increased laboratory demand for air toxics analysis. This demand for more testing, however, is not new. The Chemistry Laboratory has responded, in the past, to this demand by increasing productivity through the purchase of automated instrumentation and by adding analytical capability. The laboratory's personnel resources are now dangerously thin. We are often unable to respond as fast as the environmental programs would like because of the constantly heavy workload. Since much of the work involves time consuming, labor intensive sample preparation and clean-up, an additional FTE is required. An increase in operating expenses commensurate with the new position is also included. The position would be funded from laboratory user fees.

Overview

The Public Health Laboratory provides scientific services in support of national and state disease prevention and control programs. The bureau provides these services in three ways.

First the Public Health Laboratory produces information on infection and disease rates in the population through surveillance programs, outbreak investigations, and reference testing. This data is then used to evaluate, implement and develop new control and prevention policies at the state and national level.

Second the laboratory offers a wide range of specialized testing services for the citizens of Montana. Clinical diagnostic tests for infectious and metabolic diseases are made available to local health departments and physicians to assist in the diagnosis, treatment and prevention of disease cases throughout the state. Environmental testing is also available to health official, physicians, and the public in general to determine the safety of drinking water supplies, contamination of food and other commercial products. Air and other indoor environmental specimens are tested to resolve problems with contaminated work places and residences. The Public Health Laboratory operates under the approval programs of three federal agencies, HHS, EPA, and FDA as well as being a fully licensed Interstate Clinical Laboratory.

Third the bureau is mandated to monitor and improve the quality of health care services in the state through laboratory registration, certification and approval programs.

Goals

The Public Health Laboratory provides scientific services

in support of disease prevention and control programs. This scientific support is provided to federal and state agencies as well as to hospitals, clinics, and physicians throughout Montana. These services include a wide range of clinical and environmental analyses, consultative and reference services, training activities, and laboratory registration and approval.

- Provide disease surveillance for local, state and federal agencies through laboratory testing.
- Conduct epidemiological testing and disease outbreak investigation to be used in the control of communicable disease.
- Implement new procedures and technologies and disseminate them to hospitals and clinics in the state.
- Provide physicians, laboratorians, and public health officials consultation and training.
- Certify laboratories performing microbiological analysis of drinking water.
- Maintain a statewide registry of laboratory personnel.

Authorization

MCA 50-1-101 et seq. Department designates diseases as communicable. Department may take action when public health laws are violated. General power and duties include studying conditions affecting citizens. Investigating, informing and recommending control of communicable disease. Administer health programs delegated to states. Adopt and enforce rules regarding

the definition, reporting and control of communicable diseases. Enforce quarantine against another government unit.

MCA 50-1-202(7)

Establish laboratory services in the Department of Public Health.

PL 93-523

Safe Drinking Water Act

MCA 75-6-101 et seq.

Montana Public Water Supplies

MCA 75-5-101 et seq.

Montana Water Quality Act

MCA 50-2-101 et seq.

MDPH designate communicable diseases controlled. Power and duties of to be local boards.

MCA 40-1-203

Requiring premarital serology tests.

MCA 50-17-101 et seq.

Tuberculosis Control

MCA 50-18-101 et seq.

Sexually Transmitted diseases

MCA 50-19-101 et seq.

Serological test for women seeking prenatal care.

MCA 50-19-202 et seq.

Newborn Metabolic Screening

MCA 50-16-701 et seq.

Report of exposure to Infectious Disease

MCA 50-70-101 et seq.

Occupational Health

MCA 50-50-101 et seq.

Food establishments

MCA 50-31-101 et seq. Food, Drug and Cosmetic Act

Base Program

Our objectives in our base program include:

- Maintaining the capability of analyzing over 90,000 specimens for surveillance and disease prevention programs.
- Testing each newborn in the state for metabolic diseases including galactosemia, phenylketonuria, and congenital hypothyroidism.
- Responding to 100% of the disease investigations requested by the State Epidemiologist.
- Conduct on site training and consultation visits to at least ten clinical laboratories in the state.
- Maintain the certification of our laboratories by federal agencies including the maintenance of our Interstate Clinical Laboratory License under CLIA, Medicare-Medicaid approval, EPA certification, and FDA approval.
- Certification of at least 5 laboratories for the analysis of public drinking water.
- Approval of at least 50 Laboratories for the performance of prenatal and premarital testing.

Base Funding

Base funding consists of 35% State General Funds, 56% Fee Funds and 9% Federal Public Health Block Grant Funds.

Performance Indicators

Total Clinical and
Environmental Specimens
Processed in the Public
Health Lab.

FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
105,000	90,000	95,000	95,000

Increase or Decrease from Base

Newborn Screening

The budget for the Public Health Lab is increased by 1.00 FTE and approximately \$31,000 per year for newborn screening. The department is concerned that new stringent standards of quality assurance cannot be met with existing staff levels and that inability to meet these standards could endanger the lives of newborn infants for whom the department is required to screen for inborn errors of metabolism. The state would also be exposed to substantial monetary liabilities should an error in the screening occur.

In addition the laboratory budget is increased by approximately \$47,000 in FY 92 for the purchase of a rapid flow analyzer to augment the current testing methodology giving more quantitative results in the initial screens allowing more rapid final diagnosis.

These increases will be paid for our of fees charged for the services.

Contingency Fund

The Department requests that the Laboratory Contingency Fund be continued this biennium. This extra spending authority in the amount of \$50,000 for FY 92 and \$50,000 for FY 93 serves as a safety net for the laboratories to handle public health emergencies such as unanticipated outbreaks of diseases or environmental contamination problems. The contingency fund is used to cover operating costs for these emergencies if the laboratories have insufficient spending authority to handle the increased load.

The Contingency Fund is supported by fees that are charged for the services provided.

RECORDS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	16.00	16.00	16.00	.00	16.00	16.00	.00	16.00
Personal Services	331,015.93	383,836	375,765	843	376,608	375,246	838	376,084
Operating Expenses	120,244.31	139,832	133,211	14,701	147,912	125,017	14,867	139,884
Total Agency Costs	\$451,260.24	\$523,668	\$508,976	\$15,544	\$524,520	\$500,263	\$15,705	\$515,968
General Fund	256,722.08	310,100	291,142	12,068	303,210	290,518	13,868	304,386
State Special Revenue Fund	99,638.21	108,500	114,597	1,797	116,394	106,563	960	107,523
Federal Special Revenue Fund	94,899.95	105,068	103,237	1,679	104,916	103,182	877	104,059
Total Funding Costs	\$451,260.24	\$523,668	\$508,976	\$15,544	\$524,520	\$500,263	\$15,705	\$515,968

Overview

Title 50, Chapter 15, M.C.A. directs the department to establish and maintain a statewide system of vital statistics that is to include:

Registration
Preparation
Transcription
Compilation
Preservation

of data pertaining to

Deaths
Births
Fetal Deaths
Marriages
Divorces

Title 50, Chapter 15, Part 7, M.C.A. and Title 50, Chapter 20, M.C.A. direct the department to administer:

The Tumor Registry Act
The Abortion Control Act

The department's responsibilities in these areas, Vital Statistics, Tumor Registry, and Abortion control are carried out within the Bureau of Records and Statistics. The bureau is operationally defined by four sections, each having specific responsibilities:

The Records Section provides for registration of birth, death and fetal death within the State of Montana. It also maintains and preserves all legally filed documents (certificates, etc.) and issues certified copies of certificates to the public.

In order to accomplish:

- complete registration and reporting
- maintenance of standards of data collection compatible with and comparable to all other states in the nation
- physically secure storage of legal documents
- efficient retrieval of filed documents for issuance of certified copies and for amendments to be applied to the documents

(e) protection of the confidential nature of filed documents

the section provides:

(a) training, monitoring and supervision for:

58 Local Registrars (at the county level)
56 County Clerks and Recorders
40 Hospitals

300 Coroners and Physicians

250 Funeral Directors and Morticians

(b) storage and retrieval mechanisms for:

1,012,000 birth certificates

478,000 death certificates

12,600 fetal death certificates

20,000 sealed adoption files

(c) design, printing and distribution of 37,500 blank forms for the use of counties and private businesses in meeting their reporting responsibilities

(d) for the processing of 20,000 requests per year for certified copies of certificates and 8,000 requests per year for corrections and amendments to the filed documents

The importance of the State maintaining safe, confidential and efficient systems surrounding birth and death records cannot be overstressed. Individuals need certified copies of these records for an increasing variety of purposes throughout their lifetime. Birth certificates are required for proof of citizenship in order to secure employment, for access to welfare systems of the state and the federal government, for passports, for child custody considerations, for Indian tribal enrollment determinations, for school program determinations, etc. Death certificates are required for settlement of estates, insurance claims, resolution of retirement/pension plans, etc. These records are also used in an increasing

frequency to obtain fraudulent access to U.S. citizenship and to the welfare systems of the nation and the state; hence, the state has a responsibility to monitor the access to these records in a manner that restricts fraudulent use of these documents as much as possible.

2. The Tumor Registry Section operates the Montana Central Tumor Registry which maintains a registry of all cancer patients diagnosed and/or treated in Montana and maintains a file of medical records abstracts of these patients.

In order to accomplish:

(a) complete reporting of diagnosed and/or treated cancer patients

(b) followup of registered patients to ascertain current health status and quality (or effectiveness) of treatment

(c) periodic, summary reporting of Montana's cancer experience to physicians and hospitals

(d) response to occasional requests for statistical summaries of registry data from interested persons

the section provides:

(a) training, monitoring and supervision for 90 hospitals and independent laboratories

(b) data processing services and storage and retrieval mechanisms for 30,000 medical records abstracts

(c) design, printing and distribution of 5,000 blank abstract forms and coding instructions for the use of hospitals and laboratories in meeting their reporting responsibilities

(d) patient-summary reports to 2,000 physicians annually

- (e) assistance to hospitals in conducting annual patient followup activities by attempting to locate "hard to find" patients.
- (f) statistical tabulations of Tumor Registry data in response to 100 requests per year from the public.

3. The Records Maintenance Section operates the Vital Statistics System for the State of Montana which processes and preserves all data collected on births, deaths, fetal deaths, marriages, divorces, and abortions. This section also supports Montana's participation in the federal vital statistics system operated by the National Center for Health Statistics within the Centers for Disease Control of the U.S. Department of Health and Human Services.

In order to accomplish:

- (a) monthly data processing of vital statistics reports from all counties
- (b) comprehensive querying of questionable or illegible data to ensure accuracy
- (c) compliance with reporting requirements of the national vital statistics system
- (d) the production of annual statistical files for the use of department statisticians, other state agencies and others in the public health arena in Montana
- (e) timely and accurate cause-of-death determination (nosology) from information reported on death certificates

the section provides:

- (a) training, monitoring and supervision for: 100 hospitals

10 clinics

56 Clerks of District Courts
300 attorneys
1,000 physicians
250 funeral directors and morticians
60 coroners and deputy coroner

- (b) data reduction, data entry and data verification for 34,000 vital records per year
- (c) design, printing and distribution of 26,000 blank marriage, divorce and abortion reporting forms for the use of Clerks of Court, attorneys, hospitals, clinics, and physicians in meeting their reporting responsibilities
- (d) cause-of-death coding (nosology) and associated querying for more accurate data for 7,000 deaths and fetal deaths per year
- (e) continuous communication with federal vital statistics staff in order to keep bureau staff trained in and informed about national trends in operation of vital statistics systems
- (f) querying of 17,000 vital events per year

It is essential that the Vital Statistics System of Montana be maintained at a high level of data processing capability and competence. The product of this system is primarily the vital statistics computer files that many facets of local, state and federal governments, as well as public health organizations, are dependent upon for planning and analysis activities. These files must be delivered with accurate content and in a timely manner.

- 4. The Statistics Section compiles, analyzes and distributes data on births, deaths, fetal deaths, marriages, divorces, and abortions processed by the Vital Statistics System. This section also provides statistical consultation to the department and to local health offices and public health organizations in Montana.

In order to accomplish:

- (a) the summarization and distribution of nationally-comprable vital statistics data
- (b) the summarization and distribution of within-state comparable vital statistics data
- (c) the providing of vital statistics data in a format useful to public health research and public health policy monitoring
- (d) statistical analysis of and statistical consultation regarding vital statistics data for the department and public health efforts in Montana

the section provides:

- (a) maintenance of 1,300,000 computerized statistical records
- (b) compilation, printing and distribution of 800 copies of a vital statistics summary report annually
- (c) response to 500 requests from the general public per year for non-published statistical tabulations
- (d) 50 analytical reports per year in response to requests from the department and other public health organizations in Montana
- (e) maintenance of special-use research files regarding current areas of public health interest
- (f) maintenance of a vital statistics and demography library consisting of 2,000 books, reports and studies from all states and from the U.S. Department of Health and Human Services

5. All sections have common responsibilities and needs

regarding the following areas:

- (a) Data processing, document storage and record retrieval. All documents filed in the bureau for the State of Montana contain confidential health information as well as legal information necessary to the people of the state for use throughout their lifetimes. These documents must undergo sophisticated and timely data processing procedures: coding; quality control; data entry and verification; microfilming for security copies; efficient retrieval for updating and other uses; and for permanent, secure storage.

The Tumor Registry system is in need of being brought into compatibility with department computers. It is also in need of expanded storage capability.

The bureau has devoted considerable resources over the past ten years to the automation of birth records. This project was designed to be completed in three phases: (1) conversion to magnetic storage of seven decades, 1920 - 1989, of birth records; (2) design of a software system to maintain these computerized records and to issue legal abstracts of these records to the general public; and (3) installation of the software system and acquisition of necessary hardware and documents to support the system. The bureau plans to implement Phase 3 during the coming biennium. This may require an increase in fees for the issuance of certified copies of certificates and the bureau anticipates addressing this issue through administrative regulation during the coming biennium.

(b) Administration and servicing of a federal contract with the Centers for Disease Control. This contract is designed to provide some federal support for the operation of the vital statistics system of the State of Montana. Commitments made to this contract include sending three designated bureau staff to national meetings and workshops regarding the contract each year, conducting a field program to train and inform local data providers in Montana, and providing the federal vital statistics system with timely and accurate health data.

(c) Administration and servicing of federal contracts with the Social Security System. These contracts are designed to enhance bureau data systems relating to the provision of more efficient Social Security Administration services to the parents of newborns in Montana as well as to assist the Social Security Administration in more efficient monitoring of federal Social Security files and payments.

Goals

1. By July 1, 1992, records service for birth records will be fully automated such that (a) certified copies of birth certificates will be computer-produced with a maximum of three-day turnaround from the time a request is received and (b) corrections and amendments (including adoptions) to birth records will be processed within a maximum of ten days from the time the request is received.
2. By July 1, 1993, death records will be automated so as to produce "on-line" verification of death and county of location of a death record.

3. By July 1, 1993, the bureau will be providing semi-annual statistical reports of vital statistics data specific to counties and hospitals. These reports will be tailored to the needs of individual county health officers and hospital obstetrical staff.

4. By June 30, 1993, the bureau will have installed and will be operating the MICAR system of machine-assisted multiple cause-of-death coding developed by the National Center for Health Statistics

5. By June 30, 1992, the bureau will have completed a comprehensive survey of hospitals and laboratories required to report cancer patients to the Tumor Registry to determine the completeness of cancer reporting in Montana.

6. By June 30, 1993, the bureau will have increased its vital statistics field training visitations to hospitals and local registrars from 1 contact with each local registrar per year and 3 hospital contacts per year to 3 contacts with each local registrar per year and 1 contact with every hospital in Montana per year.

7. By June 30, 1993, the bureau will have available for distribution a comprehensive Vital Statistics Manual that will serve as guidelines for vital statistics reporting and guidelines for compliance with vital statistics statute and regulation.

8. By June 30, 1993, the bureau will have linked 60 % of the death records for persons born in Montana with their birth records, in order to provide government with a reasonable first-line defense against fraudulent use of Montana birth certificates.

Authorization

50-15, M.C.A and 50-20, M.C.A.

Base Program

Is outlined above.

Base Funding

General funds are used to fund all costs above the other fund sources.

Earmarked Revenue from fees collected on various certificates.

Federal funds from the National Center for Health Statistics and the Social Security Administration.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
<u>RECORDS SERVICE</u>				
-- Certified copies-Birth	13,000	14,000	15,000	16,000
-- Certified copies-Death	5,000	5,500	6,000	6,500
-- Legal amendments applied	2,200	2,500	3,000	3,000
-- Corrections applied	1,500	1,500	1,600	1,600
<u>HEALTH RECORDS MAINTAINED</u>				
-- Birth, death, fetal death	1,502,600	1,511,300	1,530,000	1,548,700
-- Adoption sealed files	20,000	20,900	21,800	22,600
-- Tumor Registry records	30,000	34,000	38,000	42,000
-- Vital Statistics records	1,300,000	1,334,000	1,368,000	1,402,000

TRAINING & SUPERVISION CONTACTS

-- Physicians, hosp. staff	1,150	1,500	2,000	2,000
-- Coroners, funeral direct.	350	350	350	350
-- Loc.Regis, Clerks & Recrd	114	114	114	114
-- Clerks of Court, attor.	350	350	400	400

PROGRAM 03 - OCCUPATIONAL AND CONSUMER SAFETY

(Formerly Environmental Sciences Division)

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	35.53	35.53	13.00	1.00	14.00	13.00	1.00	14.00
Personal Services	1,074,994.67	1,199,194	425,487	31,067	456,554	425,092	30,992	456,084
Operating Expenses	1,455,518.04	1,628,001	170,783	81,282	252,065	172,205	81,436	253,641
Equipment	39,802.90	26,300	0	0	0	0	0	0
Grants	298,659.75	340,086	237,500	0	237,500	237,500	0	237,500
Total Agency Costs	\$2,868,975.36	\$3,193,581	\$833,770	\$112,349	\$946,119	\$834,797	\$112,428	\$947,225
General Fund	893,066.31	1,032,703	538,775	16,807	555,582	539,803	16,941	556,744
State Special Revenue Fund	1,315,926.09	1,480,006	294,995	95,542	390,537	294,994	95,487	390,481
Federal Special Revenue Fund	659,982.96	680,872	0	0	0	0	0	0
Total Funding Costs	\$2,868,975.36	\$3,193,581	\$833,770	\$112,349	\$946,119	\$834,797	\$112,428	\$947,225

Overview

Occupational Health Bureau

The Occupational Health Bureau is responsible for administering the Radiological Health Program, with primary emphasis on inspection of x-ray machines, the regulation of asbestos consultants, contractors, and workers and providing measurement and technical expertise to ensure safety in homes and work places.

Food and Consumer Safety Bureau

The Food and Consumer Safety Bureau is responsible for ensuring that healthful conditions exist and are maintained in food serving and processing establishments, hotels, motels, trailer parks, and for providing training and support services to local health agencies and sanitarians.

FOOD AND CONSUMER SAFETY BUREAU

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	8.00	8.00	8.00	.00	8.00	8.00	.00	8.00
Personal Services	217,108.56	281,380	265,700	614	266,314	265,359	609	265,968
Operating Expenses	84,632.66	90,645	93,583	10,691	104,274	94,390	10,750	105,140
Equipment	10,991.00	0	0	0	0	0	0	0
Grants	196,073.75	237,500	237,500	0	237,500	237,500	0	237,500
Total Agency Costs	\$508,805.97	\$609,525	\$596,783	\$11,305	\$608,088	\$597,249	\$11,359	\$608,608
General Fund	312,732.22	372,025	359,283	11,305	370,588	359,749	11,359	371,108
State Special Revenue Fund	196,073.75	237,500	237,500	0	237,500	237,500	0	237,500
Total Funding Costs	\$508,805.97	\$609,525	\$596,783	\$11,305	\$608,088	\$597,249	\$11,359	\$608,608
Goals								

37 local health agencies.

Protect human health through environmental control as mandated by law in the 21 public health laws administered through the Bureau.

Insure sanitary conditions by inspections of licensed establishments. Additional inspections of non-licensed establishments are also performed in the following programs: schools; jails; group day care homes for children; developmentally disabled homes; public swimming pools and spas.

Inform and educate consumers, retail store operators and manufacturers regarding food, drug and cosmetic control through public meetings organized by local health agencies and through news releases. Published information is provided to local health department sanitarians, the public and industry.

Investigate all suspected food-borne illnesses or injuries caused by foods, drugs, cosmetics and hazardous substances and provide formal training and continuous consultation to the public, sanitarians, nurses and epidemiologists in the

Prevent distressed consumer products (accidents, flood and fire damaged food, drugs and cosmetic products) from being used by humans or animals if harmful.

To identify and minimize the incidence of vector (insect, tick and rodent) or pesticide related death, illness or injury and develop/conduct appropriate preventive health responses that can be implemented by local health and vector control agencies.

Increase the availability and maintain the effectiveness and environmental soundness of county and community mosquito control programs. Minimize public health risks and provide technical laboratory, field and biological control services which are beyond local capabilities.

Insure that swimming pools and swimming areas are designed, constructed and operated in a safe and sanitary manner by providing biennial pool and spa educational conferences in six regional locations. Provide continuous consultation and evaluation services to pool designers, operators and public health officials.

Insure that all participating sanitarians in the state are fully qualified and registered. Provide at least two weeks orientation and training to new sanitarians and support all sanitarians through continuous consultation, field visits, and four formal educational programs per year.

Revise or update the 21 laws and 15 rules administered by the Bureau to keep them current with changing technology and new industry procedures.

Provide enforcement as needed to obtain compliance.

Operate the licensing program for licensed establishments, including assessment of a late fee penalty to delinquent establishments.

Insure uniformity, consistency and technical competency of the 62 local sanitarians through Sanitarian Public Health Consultant evaluations and consultations, field service visits, and program audits.

Authorization

The following are authorization cites for major Bureau programs:

MCA Title 50, Chapter 50: Food Establishments sets forth the provisions for regulating and licensing food purveyors.

MCA Title 50, Chapter 31: Montana Food, Drug & Cosmetic Act regulates food, drug and cosmetic supplies.

MCA Title 50, Chapter 52: Tourist Campgrounds and Trailer Courts, Work Camps

and Youth Camps sets forth the provisions for regulating and licensing trailer courts, RV courts, work camps and youth camps.

MCA Title 50, Chapter 51: Hotels, Motels and Roominghouses sets forth the provisions for regulating and licensing for public accommodations: hotels, motels, roominghouses, boardinghouses, retirement homes and tourist homes.

MCA Title 50, Chapter 53: Public Swimming Pools and Swimming Areas sets forth the provisions for the regulation and inspection of public swimming pools and areas.

MCA Title 7, Chapter 22: Mosquito Control Districts sets forth the provisions for the formation, administration and dissolution of Mosquito Control Districts in the Vector Control Program.

Base Program

The Food and Consumer Safety Bureau provides program implementation and administration for 21 public health laws through 37 local health agencies providing services to Montana's 56 counties including: the Montana Food, Drug and Cosmetic Act; Food Establishments; Montana Flour & Bread Enrichment Law; Community Donated Foods; Disposition of Meat of Animals Damaging Property and Sale of Confiscated Birds and Animals; Tourist Campgrounds,

Trailer Courts, Youth and Work Camps; Hotels, Motels and Roominghouses; Mattresses - Shoddy Control; Public Swimming Pools and Swimming Areas; Schools and Jails; Day Care Centers for Children; Community Homes for Developmentally Disabled; Montana Clean Indoor Air Act; Consumer Product Safety Act; Cesspool, Septic Tank, and Privy Cleaners Act; Mosquito Control Districts; Rabies Control; Guide and Hearing Dogs; Nuisances; Department and Board of Health and Environmental Sciences; Local Boards of Health. Also, the Food and Consumer Safety Bureau is responsible for 15 administrative rules promulgated to carry out the intent of the cited laws.

The Food and Consumer Safety Bureau is the primary provider of initial training, continuing education, field training, program evaluation, and continuing general and technical consultation to 62 sanitarians employed by 37 local health agencies that serve Montana's 56 counties and to 7 industry, state and federal agency sanitarians.

Special support services include two formal educational conferences and at least two regional training seminars, each held at five locations during the year. Special emphasis is given to the initial training provided new local sanitarians. To assure accuracy, consistency and competency on the job, one-on-one training is provided. Field visits to each local public health agency by the Bureau's Public Health Sanitarian Consultants are a major activity. These contacts are necessary for program evaluation to assure accuracy, effectiveness and efficiency.

The licensure of food purveyors, public accommodations, and trailer courts/campgrounds is an annual function. License year 1989 saw 7344 establishments licensed. Increases are anticipated for the current 1990 licensing year.

The Food and Consumer Safety Bureau is the designated state coordination office with the U.S. Food and Drug Administration for the regulation of food, drug and cosmetic supplies and establishments. Activities include Class I recalls of foods, drugs and cosmetics, coordinated enforcement actions and public announcements.

The Food and Consumer Safety Bureau is the designated state coordination office with the U.S. Consumer Product Safety Commission. Activities include Class I recalls of consumer products, quarterly newsletter announcements and promotions and investigation of consumer products complaints.

The licensure of septic pump pumpers and regulation and enforcement of approved waste disposal sites is an annual function. Approximately 150 permits are issued annually. Consumer complaints are investigated.

The Food and Consumer Safety Bureau administers and regulates state inspection programs for non-licensed establishments which includes: public swimming pools and spas; institutions; jails; schools; group day care facilities for children; and group homes for developmentally disabled adults. Program support activities for regulated, but non-licensed, establishments include: site inspections; verbal/written/on-site consultations; establishment plan reviews; sanitarian, industry and public training; consumer complaint investigation; and epidemiologies.

Vector control assistance, including efforts toward the biological control of mosquitos, is provided to local mosquito control agencies, local health departments, and the general public. Approximately 25 Montana Mosquito Control Districts are served. All insect and animal disease vector problems are handled.

Base Funding

The FY 90 appropriation for the Food and Consumer Safety Bureau is \$312,732 in General Funds. In addition State Special Funds generated by \$30 establishment license fees is distributed on the basis of 85% to local Health Agencies for inspection program participation and the remaining 15% is deposited into the State General Fund. (Approximately \$201,875 annually to local agencies and \$35,625 annually to the General Fund).

Performance Indicators

	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
<u>Food Purveyor Licensing</u>				
Number of Licensed Establ.	5200	5250	5300	5350
Number of Sanitarian Train.	8	8	8	8
Training Seminars	10	12	15	15
Establishment Plan Review	120	130	140	150
Ver./Writ./Site Consultations	3000	3100	3200	3300
No. Compliance Activities	650	675	700	725
No. Label Reviews	240	260	280	300
No. Consumer Complaints	300	300	300	300

Trailer/RV Court, Youth/Work Camp Licensing

Number of Licensed Establ.	1370	1420	1470	1520
Number of Sanitarian Train.	8	8	8	8
Training Seminars	10	10	10	10
Establishment Plan Review	150	160	170	180
Ver./Writ./Site Consultations	2600	2600	2600	2600
No. Compliance Activities	250	275	275	275
No. Consumer Complaints	50	50	50	50

Public Accommodations Licensing

Number of Licensed Establ.	860	880	900	920
Number of Sanitarian Train.	8	8	8	8
Training Seminars	10	12	15	15
Establishment Plan Review	60	65	70	75
Ver./Writ./Site Consultations	2700	2750	2800	2850
No. Compliance Activities	120	125	130	135
No. Consumer Complaints	100	100	100	100

Swimming Pool/Spa Inspection

No. Establish. Inspections	1100	1150	1200	1250
Number of Sanitarian Train.	8	8	8	8
Training Seminars	10	14	10	14
Establishment Plan Review	60	65	70	75
Ver./Writ./Site Consultations	900	950	1000	1000
No. Compliance Activities	25	35	200	200
Industry Training	20	25	30	30
No. Consumer Complaints	30	30	30	30

Septic Tank Pumper Licensing

No. Licenses Issued	150	150	150	150
Ver./Writ./Site Consultations	100	100	100	100
No. Compliance Activities	75	75	75	75
No. Consumer Complaints	30	30	30	30

School Inspection

No. School Inspections	20	25	30	30
Ver./Writ./Site Consultations	50	60	70	70
Training Seminars	15	20	20	20
Establishment Plan Review	5	5	5	5
No. Consumer Complaints	15	20	20	20

Group Day Care Inspection

No. Gr. Day Care Inspections	20	25	30	30
Ver./Writ./Site Consultations	50	60	70	70
Training Seminars	15	20	20	20
No. Consumer Complaints	15	20	20	20

Jail Inspection

No. Jail Inspections	15	20	20	20
Ver./Writ./Site Consultations	30	40	40	40
No. Consumer Complaints	15	20	30	30

DEPARTMENT OF PUBLIC HEALTH

Vector Control

Applicator Poisoning Prev.	160	165	170	175
No. Vector Identifications	2500	2500	2500	2500
Pesticide Equip. Monitoring	25	40	50	50
Training Seminars	10	12	15	15
Field Operator Training	15	15	15	15
Bio. Control Permitting	16	20	20	20
Pesticide Reviews	20	20	20	20
Field Surveys	15	15	15	15
Ver./Writ./Site Consultations	550	575	600	625
No. Consumer Complaints	200	200	200	200

OCCUPATIONAL HEALTH BUREAU OCCUPATIONAL HEALTH

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
				Recommended		Recommended
Full Time Equivalent Employees	5.00	5.00	5.00	1.00	5.00	1.00
Personal Services	135,192.58	163,115	159,787	30,453	159,733	30,383
Operating Expenses	83,459.35	73,362	77,200	70,591	77,815	70,686
Equipment	5,296.84	0	0	0	0	0
Total Agency Costs	\$223,948.77	\$236,477	\$236,987	\$101,044	\$237,548	\$101,069
General Fund	162,438.05	178,978	179,492	5,502	180,054	5,582
State Special Revenue Fund	61,510.72	57,499	57,495	95,542	57,494	95,487
Total Funding Costs	\$223,948.77	\$236,477	\$236,987	\$101,044	\$237,548	\$101,069

OCCUPATIONAL HEALTH - 30034

RADIOLOGICAL HEALTH

Goals

Reduce or eliminate unnecessary exposures to ionizing radiation which might result in injuries, cancers, genetic mutations, or death.

Control radioactive materials such as to preclude or minimize damage to, or loss of, property which might result from contamination by the radioactive materials.

Authorization

Section 75-3-101, MCA, Nuclear Regulation, provides statutory authority for a program of effective regulation of sources of ionizing radiation for the protection of the occupational and public health and safety.

The Radiological Health Section provides a regulatory program to reduce or eliminate unnecessary exposures to ionizing radiation which might result in injuries or cause health risks such as increased susceptibility to cancer, and to provide for control of radioactive materials to preclude or minimize damage to, or loss of, property resulting from contamination by radioactive materials. This is achieved through the following on-going functions.

Medical X-ray Inspections

All X-ray equipment in Montana is registered with the section. Presently, 2,000 X-ray units in 975 facilities are registered in Montana. All X-ray facilities and machines are periodically inspected for radiation safety and calibration. Reports of each inspection are prepared and provided to each facility. Compliance actions are initiated where necessary. Where necessary, facility personnel are instructed in radiation safety procedures, quality assurance procedures, and may be instructed in the development of proper X-ray techniques. Specific X-ray

technique improvement programs are routinely conducted for the purpose of reducing patient and operator exposure to radiation and to improve the diagnostic quality of the X-ray films.

Radiology Plan Evaluations

The plans for all new radiology facilities in hospitals and for most other offices are evaluated for radiation safety. In all cases, minimum radiation shielding requirements for each facility are calculated and provided to the facility. This plan evaluation assists in providing adequate protection and assures that the facility will be in compliance with Montana radiation control rules when inspected.

Emergency Response

The Bureau assumes the lead role in responding to all incidents involving radiological emergencies or loss of control of radioactive materials. During past years, there have been, on average, two to four radiological incidents per year in which the radiological health section has assumed the lead role in protecting public health and safety and property until control of the hazard was gained.

Environmental Surveillance

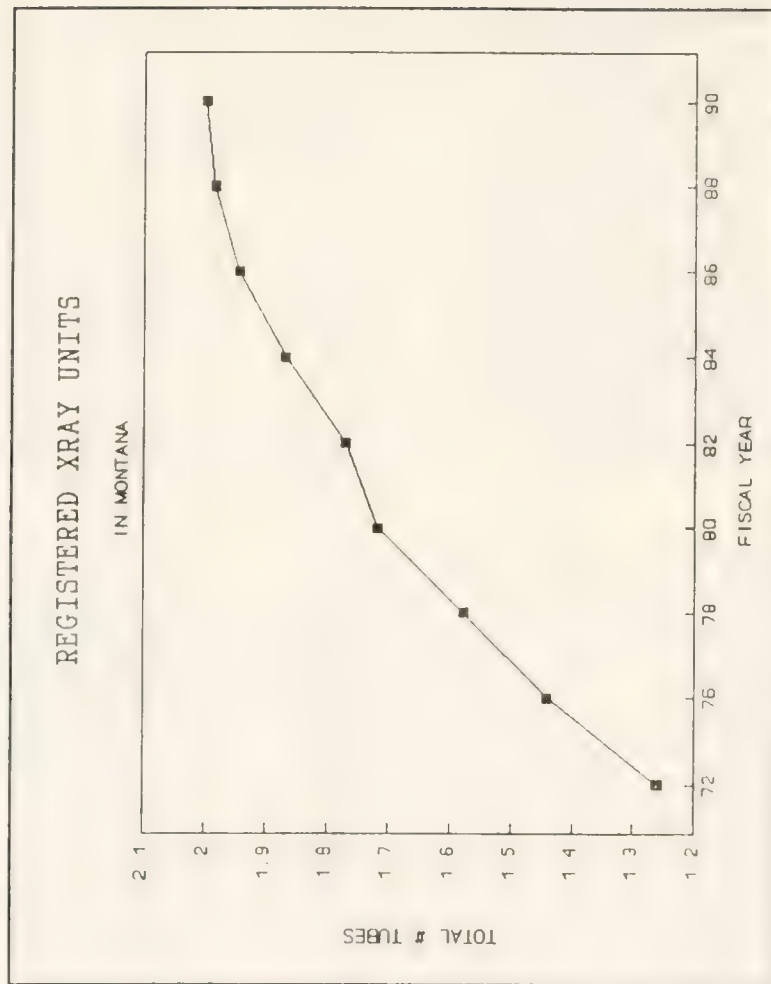
The radiological health section conducts limited activities pertaining to environmental radiation surveillance. During periods of atmospheric nuclear testing, or incidents such as the Chernobyl incident, milk samples are collected for radioanalysis and air samples are collected and measured for radioactivity on a daily basis. Drinking water supplies in the Helena area have been analyzed for radioactivity.

The radiological health section provides information and

limited assistance to concerned individuals pertaining to radon. Due to limited staff time, activities pertaining to radon are limited to providing information when requested. The section also monitors the radon health mines in the Boulder-Basin area and, through a cooperative arrangement, limits the amount of time a visitor may spend in the mines safely.

The objectives of the section are to maintain the current inspection rate of X-ray machines at approximately 400 units per year, provide on-site emergency response as necessary for the 2 to 4 incidents per year involving radioactive materials which normally occur, evaluate plans and determine minimum shielding requirements for 40 to 50 new X-ray facilities per year, provide technical assistance regarding safety and use of X-ray and radioactive materials to approximately 900 radiation source users and members of the public per year.

The following graph shows the increase of X-ray units registered in Montana since 1972.



Base Funding

The Radiological Health section is funded 100% by the State General Fund.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
<u>Workload Measure</u>				
X-ray Inspections	416	400	400	400
Emergency Responses	2	2/4	2/4	2/4
Facility Plan Reviews	42	40/50	40/50	40/50
Technical Assistance	60	50	50	50
Information/Assistance	660	600	650	650
Compliance Actions	36	40	40	40
Quality Assurance	72	40	40	40

OCCUPATIONAL HEALTH

Goals

Achieve and maintain workplace conditions which will protect human health and safety.

Protect the general public from exposure to indoor environmental contaminants which might cause adverse health effects.

Authorization

MCA, Section 50-70-101, Occupational Health, provides the statutory authority et seq. for a coordinated statewide program of abatement and control of occupational disease.

Base Program

The Occupational Health section has regulatory authority in the state and local government workplaces to achieve and maintain conditions in such workplaces as will protect human health and safety. The primary emphasis is on limiting contaminants in the workplace.

Because the section has the capabilities for determining human exposure to toxic and irritating dusts, fumes, mold spores, mists, and gases as well as asphyxiants, the section is frequently called on to identify such exposures in areas other than workplaces, including private homes. This service is in keeping with the public health goals of the Department of Public Health.

The Occupational Health section is frequently called on for emergency response assistance in incidents involving spillage or potential loss of control of hazardous

materials. Such assistance usually involves providing information regarding the toxicity of the material, necessary protective clothing, necessary respiratory protection, and proper clean-up and disposal procedures. When requested, the section will assist in the actual recovery and clean-up efforts.

The section routinely analyzes compressed breathing air supplies for carbon monoxide content. Essentially, all local law enforcement agencies and fire departments using compressed breathing air participate in this program.

The section provides training, technical assistance, and in some cases, equipment loans to local health departments to assist in the development of better occupational health capabilities on the local level.

The objectives for the section are to conduct field investigations for approximately 300 complaints and requests for assistance regarding adverse conditions in the workplace and indoor air pollution, provide technical assistance by telephone to approximately 400 requestors per year, mail technical information pertaining to toxicology, allowable exposures, etc. to approximately 150 requestors per year, provide technical assistance, equipment loans, sampling and laboratory support to local health agencies approximately 150 times per year, provide microscopic evaluations of approximately 300 samples per year for the determination of asbestos content, and provide on-site emergency response for incidents involving hazardous and toxic materials when necessary.

Base Funding

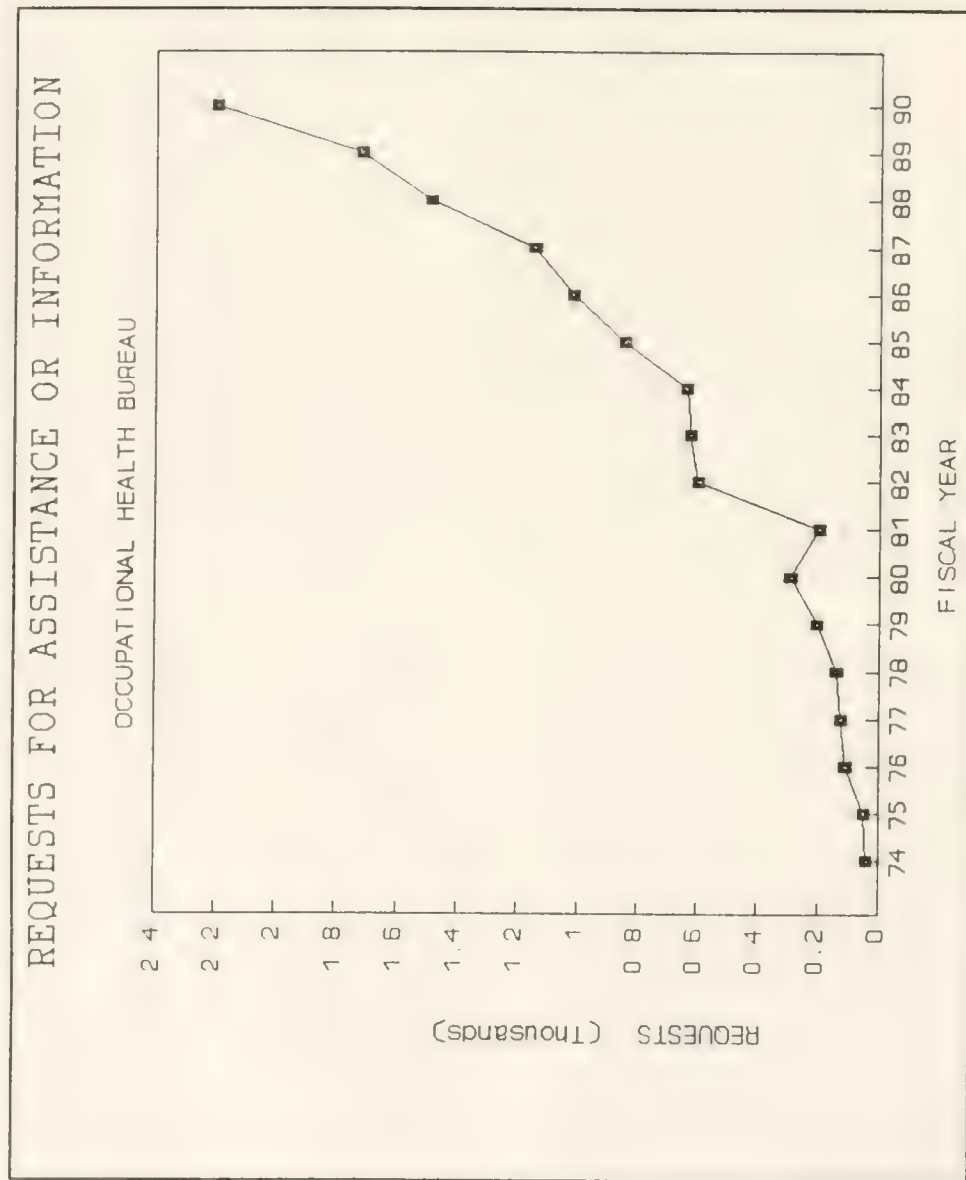
The Occupational Health section is funded 100% by the State General Fund.

Performance Indicators

	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
<u>Workload Measure</u>				
Field Investigations	203	300	300	300
Information/Assistance	837	650	800	800
Information Mailings	263	150	200	200
Technical/Lab Support	105	100	100	100

The professional position in this section was utilized to meet workload demands of the Asbestos Control section. The professional position in the Asbestos Control section was vacant until March 5, 1990.

The following graph shows the request for assistance and information workload for the Occupational Health Bureau since 1974.



ASBESTOS

Goals

Achieve and maintain a system for insuring that asbestos evaluation and removal projects be completed by competent personnel and in a manner consistent with maintaining workplace conditions which will protect human health and safety.

Protect the general public from exposure to indoor asbestos contamination which might cause adverse health effects.

Authorization

Section 75-2-501 through 514, MCA, Asbestos Control, provides the statutory authority for a program regulating asbestos-related occupations and activities for the protection of the occupational and public health and safety.

Public Law 99-519, 40CFR, Part 763, requires the state to establish and implement an asbestos accreditation program that is at least as stringent as the EPA Model Accreditation Plan contained in 40CFR, Part 763.

Base Program

The Asbestos Control activity provides a regulatory program for insuring that asbestos evaluations, management plans, and abatement projects, are completed by competent personnel and in a manner consistent with the protection of human health and safety. The section accredits individuals in six asbestos-related occupations upon successful completion of an approved training course. The section also approves training courses and required refresher courses for the six asbestos-related disciplines and periodically conducts on-site audits of the training courses. In addition, the section evaluates asbestos abatement projects and when appropriate, issues a permit for the project to proceed. Asbestos abatement projects are also inspected by the section to insure that personnel are accredited and that the project is completed appropriately.

The objectives for the section are to accredit and regulate approximately 400 asbestos abatement workers, 150 asbestos abatement supervisors, 50 asbestos abatement contractors, and 50 asbestos abatement consultants; to evaluate and issue permits for approximately 220 asbestos abatement projects per year; to provide technical assistance both by telephone and on-site to approximately 1,080 requestors per year; to conduct field investigations of approximately 125 asbestos abatement projects per year.

The Department's request to the 51st Legislature was based on the best estimate available of the number of asbestos abatement operators and projects. Since the program began full operation on January 1, 1990, the Department has determined that the annual workload will exceed the initial estimates provided to the legislature by approximately 300%. The budget reflects an increase of 1.00 FTE and approximately \$94,000 in state special revenue authority. The increased workload is generating fees which are

sufficient to fund the needed additional resources for the program.

Base Funding

The Asbestos Control section is currently funded by fees. The section is a self-supporting section, with all the fees and penalties collected being deposited back into the Hazardous Waste/CERCLA account. Proposed legislation would establish a separate state special revenue account to which all fees would be deposited. It has been determined by revenue history that fees will be sufficiently stable to fund the program through the proposed state special revenue account.

Increases/Decreases from Base

The increase of 1.00 FTE is due to additional workload in the asbestos control area that were not foreseen in the previous legislative session. The increased financial support will be through the fee system currently in place. Reference the Base Program and the Base Funding paragraphs.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
<u>Workload Measure</u>				
Information/Assistance	660	300	1080	1080
Occupation Accreditation	650	120	650	650
Course Approvals	30	10	20	20
Permits Issued	150	150	220	220
Presentations	12	5	5	5
Course Audits	8	5	15	15
Inspections	150	50	125	125
Asb. Sample Evaluations	150	150	150	150
Compliance Actions	2	0	25	25

Asbestos Control did not begin full operation until January 1, 1990 and the professional position was not filled until March 5, 1990. Therefore, FY 90 Actuals only reflect measures for one-half of a fiscal year with limited resources.

PROGRAM 06: HEALTH SERVICES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer	Recommended	Base	Fiscal 1993 Incr/Deer	Recommended
Full Time Equivalent Employees	15.52	15.52	15.52	-2.50	13.02	15.52	-2.50	13.02
Personal Services	469,657.42	525,442	502,723	-80,859	421,864	502,714	-81,001	421,713
Operating Expenses	317,211.68	345,918	354,910	939	355,849	356,520	933	357,453
Equipment	1,595.00	4,240	4,240	0	4,240	4,240	0	4,240
Total Agency Costs	\$788,464.10	\$875,600	\$861,873	\$-79,920	\$781,953	\$863,474	\$-80,068	\$783,406
General Fund	541,615.70	605,982	591,807	-86,001	505,806	593,370	-87,513	505,857
State Special Revenue Fund	39,078.99	44,702	44,702	409	45,111	44,702	572	45,274
Federal Special Revenue Fund	207,769.41	224,916	225,364	5,672	231,036	225,402	6,873	232,275
Total Funding Costs	\$788,464.10	\$875,600	\$861,873	\$-79,920	\$781,953	\$863,474	\$-80,068	\$783,406

Overview

The Health Services Division Administration manages the operations of the division, has direct responsibility for development and communication of division policy and advisory responsibility on Department policy, and manages resources of the division.

The Emergency Medical Services Bureau is responsible for the planning, development and implementation of a comprehensive state emergency medical services program (MCA 50-6-101-104), and serves as a coordinating mechanism for the various elements comprising the statewide system.

Activities of the EMS Bureau include: statewide planning, including the writing and enforcement of an emergency medical services plan covering all components of a comprehensive emergency medical services system; management of Montana ambulance licensing program (MCA 50-6-301-316, ARM 16.30.101-210) which includes issuance of licenses, annual inspections and reinspections and investigation of complaints and violations; training programs of emergency

medical technicians at basic, intermediate and paramedic levels (MCA 50-6-201); management of the Montana poison control system, including providing methods of public access and provision of public and professional education; provision and management of a Montana first responder training program - an emergency medical training program for law enforcement, fire and other public safety members of the emergency medical services system; training of rural emergency room nurses and the coordination of the advanced trauma life support program for physicians; provision of technical assistance to local EMS providers and trainers, including the writing and dissemination of a variety of training manuals and handbooks; and, responding to numerous requests for on-site technical assistance.

The Health Planning Program produces the State Health Plan, related plans, and planning research; administers the Certificate of Need program for medical facilities; and collects, maintains and distributes medical facility data.

Under proposed reorganization, the Occupational Health Bureau and the Food and Consumer Safety Bureau would be moved to the Health Services Division.

Goals

(See under specific activity.)

Authorization

(See under specific activity.)

Base Program

(See under specific program.)

Base Funding

(See under specific program.)

DIVISION ADMINISTRATION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
					Recommended	Recommended
Full Time Equivalent Employees	2.50	2.50	2.50	.00	2.50	2.50
Personal Services	99,752.41	107,028	96,088	224	96,312	96,087
Operating Expenses	17,321.12	18,713	20,009	2,762	22,771	22,898
Total Agency Costs	\$117,073.53	\$125,741	\$116,097	\$2,986	\$119,083	\$118,985
General Fund	76,100.75	82,435	72,343	1,483	73,826	73,598
Federal Special Revenue Fund	40,972.78	43,306	43,754	1,503	43,792	45,387
Total Funding Costs	\$117,073.53	\$125,741	\$116,097	\$2,986	\$119,083	\$118,985

Goals

To ensure that all division programs operate efficiently and effectively in their respective roles that are designed to improve and preserve the health of Montana residents.

Authorization

50-1-202 MCA. General Power and Duties of the Department.

(See also all Health Services Division bureaus, programs, and activities.)

Base Program

The Health Services Division Administration is responsible for overall operations of the division. Regular functions include development and communication of division policy and management of resources. Additionally, the Administration assists in the formulation and implementation of Department policy.

Also, the Administration serves as coordinator of Department services to local areas and represents local health department concerns to the Department.

Performance Indicators

FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
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Division Administration

Administer Health Services
 Division
 (Specific indicators
 in program budgets)

1	1	1	1
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EMERGENCY MEDICAL SERVICES

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
	8.27	8.27	8.27	.00	8.27	8.27	.00	8.27
Personal Services	243,517.40	261,107	261,034	562	261,596	261,255	562	261,817
Operating Expenses	261,107.36	284,688	290,923	11,485	302,408	292,549	11,463	304,012
Equipment	1,595.00	4,240	4,240	0	4,240	4,240	0	4,240
Total Agency Costs	\$506,219.76	\$550,035	\$556,197	\$12,047	\$568,244	\$558,044	\$12,025	\$570,069
General Fund	300,344.14	323,723	329,885	7,469	337,354	331,732	6,175	337,907
State Special Revenue Fund	39,078.99	44,702	44,702	409	45,111	44,702	572	45,274
Federal Special Revenue Fund	166,796.63	181,610	181,610	4,169	185,779	181,610	5,278	186,888
Total Funding Costs	\$506,219.76	\$550,035	\$556,197	\$12,047	\$568,244	\$558,044	\$12,025	\$570,069

Overview

The Emergency Medical Services Bureau is responsible for the planning and implementation of a state-wide emergency medical services system. This includes licensing of emergency medical services personnel, training of instructors, investigating complaints, certification of pre-hospital emergency medical services personnel, provision of technical assistance, and management of the Montana Poison Control System.

Goals

1. To effectively and efficiently license pre-hospital emergency medical services, and to certify pre-hospital care providers.
2. To assure high quality emergency medical services training programs are reasonably available throughout Montana.
3. To assure the availability of a comprehensive, smoothly integrated statewide emergency medical services system

which provides good emergency medical care to Montana citizens and visitors.

4. To assure availability to all Montana citizens of a comprehensive, state-wide poison control system operating 24 hours per day.

Authorization

50-6-323, MCA Emergency medical services licensing. States the department has the general authority to supervise and to regulate emergency medical services in Montana, and provides for licensing of pre-hospital emergency medical services.

50-6-102, MCA Emergency medical services program. States that the department shall establish and administer an emergency medical services program.

50-6-201, MCA Emergency medical technician certification.
Provides for the certification of emergency medical technicians.

50-16-701, MCA Report of exposure to infectious disease.
Requires the department to develop rules regarding the unprotected exposure of emergency medical care providers to infectious diseases, and to develop a uniform, state-wide reporting form.

50-9-101, MCA Living Will Act. Provides for the department to develop rules concerning the application of the act to pre-hospital emergency care providers. Also requires the department to develop a protocol, and reliable documentation.

Base Program

Emergency medical services licensing

The EMS Bureau inspects and licenses each emergency medical service including ground ambulance services, air ambulance services (rotor-wing and fixed-wing), and non-transporting medical units. One-half of the services are inspected each year. The EMS Bureau also investigates complaints regarding emergency medical services, and takes necessary corrective/enforcement action.

It is estimated the EMS Bureau will license and inspect 75 ground ambulance services, 3 fixed-wing air ambulance services, 2 helicopter air ambulance services, and 25 non-transporting medical units. Since a portion of this is new legislative authority (effective January 1, 1990), the actual numbers are difficult to predict. It is estimated there will be approximately 15 complaints investigated and managed.

Emergency medical services certification

The EMS Bureau administers the EMT certification program. This involves the administration of written and practical examinations for EMT-Basic, EMT-Defibrillation, EMT-Intermediate, and EMT-Paramedic. The EMS Bureau also reviews recertification applications for compliance with applicable continuing education requirements.

The EMS Bureau administers the First Responder and First Responder-Ambulance training programs and certification of course completion.

It is estimated the EMS Bureau will certify 613 new EMT-Basics, 75 new EMT-Defibrillation, 100 new EMT-Intermediates, and 60 new EMT-Paramedics. Since many local areas are just beginning to certify EMT-Intermediates, and EMT-Paramedics, this assumes an increase from FY 90 actual figures. The EMS Bureau will review and act on recertification applications for 700 EMT-Basics, 77 EMT-Defibrillation, 60 EMT-Intermediates and 50 EMT-Paramedics. The numbers are variable and based on the conduct of training and recertification programs at the local level. Since the number of persons being certified will increase with the expansion of local training programs, the number of recertifications is also anticipated to increase.

It is estimated 300 persons will complete the First Responder program for the first time and 200 persons will complete the First Responder-Ambulance training program. 550 persons will satisfactorily complete continuing education requirements for First Responder and 100 will complete First Responder-Ambulance continuing education requirements. These numbers represent an increase over FY 90 since it is anticipated more training programs will be conducted by local trainers.

Emergency medical services training

The EMS Bureau trains local emergency medical services training coordinators. Once trained, these individuals are authorized to conduct First Responder, First Responder-Ambulance and EMT-Basic courses. They must receive refresher training every two years. The EMS Bureau also trains medical directors and coordinators on an individual basis for EMT-Defibrillation, EMT-Intermediate and EMT-Paramedic training programs. The EMS Bureau coordinates, in cooperation with the American College of Surgeons, Montana Committee on Trauma, the Advanced Trauma Life Support (ATLS) training program for rural physicians and registered nurses.

It is estimated the EMS Bureau will train 70 emergency medical services training coordinators and provide refresher training to 60 emergency medical services training coordinators. The EMS Bureau will train eight EMT-Defibrillation medical directors, five EMT-Intermediate medical directors, and three EMT-Paramedic medical directors. The EMS Bureau will conduct 15 on-site monitoring and technical assistance visits to authorized training programs. There will be four (4) ATLS courses which will train 40 physicians and 24 registered nurses. The EMS Bureau will review and approve applications for 30 EMT-Basic courses, six EMT-Defibrillation courses, five EMT-Intermediate courses and two EMT-Paramedic courses. The numbers are dependent on local EMS training programs.

Montana Poison Control System

The department contracts with the Rocky Mountain Poison and Drug center in Denver, Colorado, to provide continuous emergency and informational telephone answering and medical consultation to all Montana citizens and health care professionals. A toll-free telephone line is provided to the Denver Center. The department distributes a variety

of poison prevention brochures, telephone stickers and other public education materials to Montana citizens, health care providers and civic groups.

There will be an estimated 11,000 cases managed by the Montana Poison Control System, 89,000 telephone stickers distributed, and 27,000 brochures and pamphlets distributed.

Trauma Register

During FY 90, as a part of the EMS evaluation efforts, the department implemented, in voluntary cooperation with participating hospitals, a trauma register program. Participating hospitals will collect information on designated trauma patients, enter the information into a computer and forward information, by an electronic medium, to the department. The department will prepare state-wide reports and analyze these reports in cooperation with the American College of Surgeons, Montana Committee on Trauma. Recommendations will be made for improving the delivery of emergency medical care to the trauma victim in Montana.

During the base budget year, it is anticipated there will be six (6) major Montana hospitals participating in the Montana trauma register. This will increase gradually with the increasing awareness of hospitals, and increased emphasis on trauma care by the federal government and third-party payors.

Audiovisual library

Through the department's film library, the EMS Bureau maintains a limited supply of films, manikins and other audio-visual materials for use by local EMS training program.

During the base budget year, these films will be sent out 254 times, slides will be lent out 118 times, and manikins will be loaned 45 times.

Technical assistance

EMS Bureau personnel respond to a wide variety of technical assistance requests from local EMS systems. These range from designing EMS systems to teaching specialized classes and evaluating programs. During base level funding, it is estimated the EMS Bureau will respond to 15 technical assistance requests.

Base Funding

EMS Bureau funding is derived from three sources: General Fund, Preventive Health and Health Services Block Grant and State Special Fund. The State Special Fund (EMT Certification) is a fund to which EMT certification fees are deposited and from which a portion of the EMT examination costs (supplies, materials, and examiners costs) are paid. Limited educational supplies, unavailable from other Montana suppliers, are sold by the EMS Bureau with the revenue deposited to and the expense charged to this responsibility center. With the variability in the number of EMTs taking the state certification examination, this funding varies considerably and is difficult to predict.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
<u>EMS Inspect/License</u>				
-- Ground Ambulance	75	75	75	75
-- Fixed wing-air amb	5	5	5	5
-- Helicopter-air amb	2	2	2	2
-- Non-transporting	25	25	25	25
<u>EMT Certification</u>				
-- EMT-Basic	613	613	613	613
-- EMT-Defibrillation	52	52	75	75
-- EMT-Intermediate	42	80	100	100
-- EMT-Paramedic	13	60	60	60
<u>EMT Recertification</u>				
-- EMT-Basic	633	675	700	700
-- EMT-Defibrillation	77	77	77	77
-- EMT-Intermediate	0	60	60	60
-- EMT-Paramedic	0	25	50	50
<u>First Responder</u>				
-- First Responder	160	250	300	300
-- First Responder - Amb	45	120	200	200
-- First Resp. Recert	445	500	550	550
-- First Respond. Amb recert	0	40	100	200
<u>EMS Training Coordinators</u>				
-- EMSTC	70	70	70	70
-- EMSTC-recert	60	60	60	60

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
<u>EMS Medical Director Training</u>				
-- EMT-D	4	8	8	8
-- EMT-I	1	5	5	5
-- EMT-P	3	3	3	3
<u>ALS On-Site visits</u>				
-- On-site visits	9	15	15	15
<u>Advanced Trauma Life Support</u>				
-- ATLS courses	3	4	4	4
-- Physicians trained	30	40	40	40
-- Registered nurses	18	24	24	24
<u>Montana Poison Control System</u>				
-- Poison cases	11,000	11,000	11,000	11,000
-- Poison stickers dist.	89,000	89,000	89,000	89,000
-- Poison brochures	27,000	27,000	27,000	27,000
<u>Trauma register</u>				
-- Participating hosp.	2	4	6	8
<u>Audiovisual library</u>				
-- Films lent out	254	254	254	254
-- Slide sets lent out	118	118	118	118
-- Manikins lent out	45	45	45	45

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
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Technical assistance visits

-- Local visits	15	15	15	15
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HEALTH PLANNING

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	4.75	4.75	4.75	-2.50	4.75	-2.50
Personal Services	126,387.61	157,307	145,601	-81,645	145,595	-81,786
Operating Expenses	38,783.20	42,517	43,978	-13,308	43,857	-13,314
Total Agency Costs	\$165,170.81	\$199,824	\$189,579	\$-94,953	\$189,452	\$-95,100
General Fund	165,170.81	199,824	189,579	-94,953	189,452	-95,100
Total Funding Costs	\$165,170.81	\$199,824	\$189,579	\$-94,953	\$189,452	\$-95,100

Overview

The Health Planning Program was previously a Bureau but through reorganization has become a program attached to Health Services Division Administration. The Program produces the State Health Plan, related Plans, and planning research; administers the Certificate of Need Program for medical and health care facilities; and, collects, maintains, and distributes health facility data.

Goals

- 1) To provide a process for the rational growth of Montana's health care industry so that:
 - a) cost containment is encouraged and maintained in a competitive environment;
 - b) accessibility to care is assured through a balanced and equitable distribution of services statewide;
 - c) development occurs in a manner where industry investment is at a rate that does not translate into inflated costs for care, possibly compromising the quality of care; and,

d) state-sponsored financial assistance programs for medical care are not extended beyond capacity to adequately serve Montanans in need.

2) To provide assistance to Montana's rural hospitals and other health care facilities through:

- a) technical and other assistance;
- b) assistance in securing federal grant funds (the Rural Health Transition Grant program);
- c) Assistance in determining Health Manpower Shortage Area designations; and,
- d) continuing involvement with the Rural Health Care Association.

Authorization

- 50-1-201 MCA. Administration of the State Health Plan.
- 50-5-301-317 MCA. Certificate of Need.
- 50-5-402 MCA. Administration of the State Medical Facility Plan.

ARM Title 16, Chapter 32, Sub-Chapter 1. Certificate of Need.

Base Program

The Health Planning Program processes and reviews Certificate of Need applications for health care facilities and programs in the state. Under current Montana law (50-5-301 MCA), Certificate of Need approval is necessary for projects related to ambulatory surgery, home health, long term care, inpatient psychiatric, inpatient substance abuse (chemical dependency), rehabilitation, and personal care. Also, approval is required in certain instances when an acquisition of major medical equipment exceeds \$750,000.

The Program is also responsible for writing and publishing the State Health Plan and the State Medical Facility Plan and related data. Base programming activities also include constant communication with representatives of various health care facilities, other agencies, researchers, and other interested parties. The provision of technical assistance ensures updated facility information and progress reports of project development in the state.

Certificate of Need exists as a strategy to help control rising health care costs for Montanans. It is also designed to facilitate an equitable distribution of health care services across the state so that access is not a problem for those seeking health care.

The State Health and Medical Facility Plans are developed to assist in the determination of health care service utilization and needs assessments in the Certificate of Need process.

Health Planning also provides planning and related services for other Department programs.

Base Funding

Health Planning activities are funded with state general funds and are mandated by Montana law: Certificate of Need, 50-5-301 MCA; State Health Plan development 50-1-201 MCA; State Medical Facility Plan development, 50-5-402 MCA; study of Residential Treatment Facilities, 50-5-317 MCA.

The Certificate of Need review process requires that applicants submit a fee to the Department of \$500 or 0.3 percent of capital expenditures, whichever is greater, for reviewable projects. That fee is then deposited into the state general fund.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
<u>Certificate of Need</u>				
Applications	37	40	42	45
Letters of Intent	47	50	55	60
Informational Hearings	9	10	12	12
On-site Reviews	24	20	25	25
Technical Assistance				
Inquiries	200	200	220	220
Hours	600	600	660	660
Application Fees	\$33,814	\$35,000	\$36,000	\$37,500
<u>State Health Plan</u>				
Updates (Annual)	1	1	1	1
Revisions (By Chapter)	2	2	2	2
Additions	1	1	2	1
Publish				
(Every 3rd Year)	0	1	0	0
<u>State Health Facility Data Book</u>				
Data and Information - Survey				
Collection By Facility	228	230	240	245

Data Calculation
(By Service-Annually) 10 10 10 10

Develop and Publish
(Annually) 1 1 1 1

Planning Activities

Residential Treatment
Facilities Study 1 1 0 0

Technical Assistance constant constant constant constant

Agency Assistance constant constant constant constant

Increase or Decrease from Base

The Health Planning Program budget will be decreased to \$94,626 in FY 92 and \$94,352 in FY 93. This has resulted primarily through reorganization that moved 1.00 FTE from Health Planning to the Director's Office for the Medical/Dental Advisory Unit. The .75 FTE reduction is due to the Department reduced emphasis on certificate of need reviews and other program activities.

FAMILY/MATERNAL AND CHILD HEALTH BUREAU

Full Time Equivalent Employees	Fiscal 1990		Fiscal 1991		Fiscal 1992		Fiscal 1993	
	Actual	Appropriated	Base	Incr/Decr	Recommended	Base	Incr/Decr	Recommended
	23.50	25.50	23.50	3.00	26.50	23.50	3.00	26.50
Personal Services	620,303.48	731,299	690,434	69,955	760,389	689,770	69,691	759,461
Operating Expenses:	1,172,407.20	1,284,129	1,204,172	227,606	1,431,778	1,204,537	231,697	1,436,234
Equipment	0.00	2,558	0	204,010	204,010	0	0	0
Grants	6,617,004.37	6,782,144	6,782,144	1,634,000	8,416,144	6,782,144	2,642,000	9,424,144
Benefits and Claims	5,443,704.82	6,029,020	6,053,709	453,540	6,507,249	6,053,709	450,909	6,504,618
Total Agency Costs	\$13,853,419.87	\$14,829,150	\$14,730,459	\$2,589,111	\$17,319,570	\$14,730,160	\$3,394,297	\$18,124,457
General Fund	48,652.00	63,910	50,000	50,667	100,667	50,000	50,667	100,667
Federal Special Revenue Fund	13,804,767.87	14,765,240	14,680,459	2,538,444	17,218,903	14,680,160	3,343,630	18,023,790
Total Funding Costs	\$13,853,419.87	\$14,829,150	\$14,730,459	\$2,589,111	\$17,319,570	\$14,730,160	\$3,394,297	\$18,124,457

Overview

The Family/Maternal and Child Health Bureau maintains administrative responsibility for the following programs: Handicapped Children's Services; Family planning; Women, Infants and Children (WIC); and the Child Nutrition Program - Child Care Food Program. The Montana Perinatal Program, including the MIAMI Project, was moved to the Family/MCH Bureau as part of recent Department reorganization. In addition, the F/MCH Bureau administration includes MCH Block Grant to Counties and Newborn Metabolic Screening.

Goals

(Refer to specific program or activity.)

Authorization

Activities of the Bureau must be conducted in accordance with Title V of the Social Security Act, as amended in 1981 and up-dated by the Omnibus Budget Reconciliation Act of

1989 (OBRA 89). Title X of the Public Health Services Act (42 USC 300 et. seq.), Public Laws 92-433, 95-627 and 100-175 (WIC, Child Nutrition and Older Americans Act, respectively) plus federal regulations. MCA 50-1-202 plus Administrative Rules of Montana provide further authorization.

Base Program

(Refer to specific program or activity.)

Base Funding

(Refer to specific program or activity.)

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
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Family/Maternal &
Child Health Bureau

(Refer to specific
program/activity)

1	1	1	1	1
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BUREAU ADMINISTRATION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	3.00	5.00	3.00	.00	3.00	3.00	.00	3.00
Personal Services	88,823.56	158,646	119,073	-23,460	95,613	118,899	-23,509	95,390
Operating Expenses	53,613.58	186,446	136,165	4,741	140,906	136,279	4,772	141,051
Equipment	0.00	2,558	0	0	0	0	0	0
Total Agency Costs	\$142,437.14	\$347,650	\$255,238	\$-18,719	\$236,519	\$255,178	\$-18,737	\$236,441
General Fund	0.00	6,732	0	0	0	0	0	0
Federal Special Revenue Fund	142,437.14	340,918	255,238	-18,719	236,519	255,178	-18,737	236,441
Total Funding Costs	\$142,437.14	\$347,650	\$255,238	\$-18,719	\$236,519	\$255,178	\$-18,737	\$236,441

Overview

The Family and Maternal and Child Health Bureau administration is responsible for the programs and activities in the Bureau. All activities of the Bureau must be conducted in accordance with Title V of the Social Security Act, as amended in 1981 and up-dated by the Omnibus Budget Reconciliation Act of 1989 (OBRA 89).

Goals

The primary goal of the Family MCH Bureau administration is to oversee the implementation of all Bureau programs and activities as required by state and federal laws and to the extent that they are initiated by the Department. Programs within the Family/MCH Bureau include Handicapped Children's Services, Family Planning, WIC, Child Care Food Program and the Perinatal Program. The Perinatal Program, which includes the MAIMI Project, was moved to the F/MCH Bureau from the Preventive Health Services Bureau as part of a Department reorganization.

Authorization

Title V, Social Security Act, as amended.

MCA 50-1-202 - General powers and duties of the department.

Base Program

(refer to specific programs)

Base Funding

Funding for the Bureau administration is from the Maternal and Child Health Block Grant.

Increases/Decreases from Base

The decrease from the base is due to agency reorganization. The Bureau Chief position was reclassified from a grade 22 to a grade 18.

Performance Indicators

FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
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Bureau Administration

Administer F/MCH Bureau
Programs
Specific indicators in
each program budget

1	1	1	1
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NUTRITIONAL SERVICES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	12.50	12.50	12.50	.00	12.50	12.50	.00	12.50
Personal Services	314,128.17	342,074	341,532	777	342,309	341,431	776	342,207
Operating Expenses	263,578.44	256,415	226,933	48,528	275,461	226,818	51,119	277,937
Equipment	0.00	0	0	204,010	204,010	0	0	0
Grants	4,783,983.37	5,225,045	5,228,149	1,634,000	6,862,149	5,228,149	2,642,000	7,870,149
Benefits and Claims	5,443,704.82	6,029,020	6,053,709	453,540	6,507,249	6,053,709	450,909	6,504,618
Total Agency Costs	\$10,805,394.80	\$11,852,554	\$11,850,323	\$2,340,855	\$14,191,178	\$11,850,107	\$3,144,804	\$14,994,911
Federal Special Revenue Fund	10,805,394.80	11,852,554	11,850,323	2,340,855	14,191,178	11,850,107	3,144,804	14,994,911
Total Funding Costs	\$10,805,394.80	\$11,852,554	\$11,850,323	\$2,340,855	\$14,191,178	\$11,850,107	\$3,144,804	\$14,994,911

Goals

1) WIC

A) To provide low income, pregnant, postpartum, and lactating women, infants and children up to age five, at nutritional risk, with:

(1) Nutrition education and counseling, intervention, referral and follow-up on identified risks to improve eating behaviors and reduce or eliminate nutritional problems;

(2) Selected foods to supplement diets lacking in nutrients needed during this critical time of growth and development;

(3) Access to preventive health programs and referral and follow-up to private and public health providers.

B) To reduce the incidence of low birthweight babies in the WIC population.

C) To increase the incidence of breastfeeding in the WIC population.

2) Child Nutrition

A) To improve the nutritional status of Montana's

children and adults by enabling institutions participating in the CACFP to serve wholesome, attractive meals that meet participants' nutritional needs.

B) To make meal time a pleasant and sociable experience and to teach participants to make wise food choices.

Authorization

1) WIC

A) Public Law 92-433 Child Nutrition Act of 1966, as amended.

B) 7 CFR 246 Federal Regulations for WIC

C) ARM 16.26.101- Administrative Rules of Montana 16.26.402.

1) Child Nutrition

A) Public Law 95-627 Child Nutrition Amendments of 1978

B) 7 CFR 226 Federal Regulations for CN

C) Public Law 100-175 Older Americans Act Amendments of 1987

Base Program

1) WIC

A) Funds for food and administrative costs are granted from USDA, Food and Nutrition Service (FNS), to the State Agency, which in Montana is the State Department of Public Health, Family/Maternal and Child Health Bureau, WIC Program. The State WIC Agency makes grants to local programs which provide direct services to the participants. Responsibilities for delivery of the services is divided into three levels:

(1) Local Agencies hire staff, conduct outreach, certify program applicants, issue food vouchers to participants, enter into agreements with and provide training to local grocery stores, prepare annual nutrition health plans, provide nutrition services, administer State policies and procedures, establish local agency policies, and provide certain minimum health care services to all program participants.

(2) The state agency provides funding to Local Agencies through the contracting process, maintains the food delivery system and fiscal responsibility, interprets USDA regulations, makes policy and develops procedures for program operation, monitoring, technical assistance and training for Local Agencies in nutrition and administration, and writes the State Plan.

(3) The Denver regional office of USDA performs management evaluations on state and local levels to determine compliance with federal regulations, FNS guidelines, and the Montana State Plan. They provide technical assistance and act as a clearinghouse for USDA policy and information, and distribute monies to the

state agencies in their region via published funding formulas.

(4) Overview of Local Program operations: The potential participant applies for program benefits and is determined eligible or ineligible based on information she/he provides regarding his/her place of residence, income and nutritional status. If eligible, vouchers are given each month for specific food items allowed on the program and which have been prescribed for their nutritional needs. Nutrition care is provided during the certification period according to a written plan for the individual or family. Participants are referred to private medical practitioners, well child clinics, community agencies or programs as appropriate. At periodic intervals, participants reapply for certification. Prescribed foods are purchased at local grocery stores who agree to participate in the program.

(5) To qualify for WIC benefits, a person must be:

- (a) Pregnant, or a breastfeeding woman; a woman who recently had a baby; an infant, birth to 12 months; a child, 1-5 years;
 - (b) Determined by the health professional to be at medical/nutritional risk;
 - (c) below 185% of Federal Poverty Income Guidelines
- | | |
|-------------------------------|---------------|
| (i) Family of 2 = \$1,237/mo | \$14,837/year |
| (ii) Family of 4 = \$1,866/mo | \$22,385/year |

2) Child Nutrition

A) The Child Nutrition Program staff process applications, request agreements, process monthly claims, prepare federal reports, perform on-site reviews of local programs on a regular basis, evaluate menus, present workshops, provide training and technical assistance through on-site visits, correspondence and make telephone contacts, prepare

materials, provide resources and required forms to local programs, provide nutrition consultation as needed, maintain liaison with other programs in the Department, other departments, USDA regional office, other State's programs and local child care associations.

B) The objectives of the Child Nutrition Program under base funding will be to:

- (1) process annual applications for 85 local programs
- (2) process 1,000 claims reflecting \$6 million paid to local programs
- (3) conduct on-site review of 1/3 of all local programs
- (4) present four statewide workshops
- (5) evaluate menus for 50% of the local programs
- (6) conduct on-site training and technical visits for 12 local programs

Base Funding

1) WIC

A) WIC is 100% federally funded; food dollars are based upon predictions of potentially eligible persons and food costs, with an inflationary factor added in. Administrative and program services costs are based upon a funding formula which addresses benefit targeting, agency caseload, differential salary levels, calculated average administrative expenditures, and average grant per participant.

B) Effective July 1, 1989, contracts with two infant formula suppliers were signed which provided for an open market "rebate" to the WIC program for each can of infant formula purchased through WIC. The first rebate checks were received in August, 1989. Effective April 1, 1990, one company exercised its option to withdraw from the

contract. Effective July 1, 1990, a single source contract will be in place. Through competitive bidding the company offering the highest rebate will be granted exclusive rights to provide infant formula to the Montana WIC Program. Rebate dollars are used by the Montana WIC Program to serve more people.

2) Child Nutrition

A) The Child Nutrition Program's Child and Adult Care Program is 100% federally funded. USDA reimburses the Department for claims paid to local programs based on the meals served to enrolled participants. Federal funding for reimbursement to local programs is open-ended and based on the family size and income of the enrolled participants and the number and type of meals served.

B) Funding for reimbursement to local programs is open-ended and based on the family-size and income of enrolled participants, the types and numbers of meals served and the annual reimbursement rates set each July by Congress. It is impossible to predict with any accuracy the amount of Federal Grant Funds to reimburse local programs that will be available to this program. Because of this, the Child Nutrition Program has always had to request a budget amendment in order to pay all claims for local programs.

C) Funding for State Administrative Expense for the Department to administer the CACFP is determined by a formula based on funds provided to local participants in the prior 2nd year. The Child Nutrition Program submits an annual budget to USDA for their approval. This budget is based on the funding available as determined by this formula.

D) Funding is also received from USDA for audits of local programs. This funding is based on 2% of all reimbursement paid to local programs in the prior

2nd year. This funding is available to reimburse local programs, who require an audit, for the CACFP's share of the audit costs.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
1. Persons Est. Eligible	431,292	431,292	431,292	431,292
2. Persons Rec'ing Benefits	174,251	174,251	174,251	174,251
3. Grants (6000)	\$1,444,846	\$1,444,846	\$1,444,846	\$1,444,846
4. Benefits to Ind. (7000)	\$5,661,793	\$5,661,793	\$5,661,793	\$5,661,793
5. Average Food Package Cost w/rebates	\$ 28.38	\$ 28.38	\$ 28.38	\$ 28.38
6. Average Food Package Cost w/o rebates	\$ 34.54	\$ 34.54	\$ 34.54	\$ 34.54

Child Nutrition

1. Applications	85	85	85	85
2. Claims	850	850	850	850
3. On-site reviews	28	28	28	28
4. Workshops	4	4	4	4
5. Menu Evaluations	40	40	40	40
6. On-site train. & TA	12	12	12	12

Increase in Base

1) WIC -- The WIC Program's expenditures for the issuance of supplemental food to eligible recipients will increase as a result of increased caseloads and food inflation.

Average monthly participation has grown, increasing from 13,491 (statewide) in SFY 88 to 14,281 in SFY 89 (6% increase). Average monthly participation in SFY 90 is projected to be 15,061 (5.5% increase over SFY 89).

The average food package cost for SFY 89 is \$34.51 (15.5% increase over SFY 88). During SFY 90, the monthly food package cost rose from \$28.21 in July 1989 to \$38.04 in June 30, 1990. The increase from base in the equipment category is for the automation of local WIC agencies as approved by USDA.

- 2) The Child Nutrition Programs's Grants for reimbursement to local programs will increase approximately 23% per year (based on past experience) with a resulting need to increase the base for grants to 6.1 million in SFY 92 and 7.5 million in SFY 93. These funds will be used to reimburse local programs for meals served to enrolled children. See Base Funding 2) Child Nutrition A), B).

FAMILY PLANNING

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	4.00	4.00	4.00	.00	4.00	4.00	.00	4.00
Personal Services	121,567.13	123,835	129,271	293	129,564	129,104	292	129,396
Operating Expenses	94,799.46	104,195	103,378	7,994	111,372	103,704	8,055	111,759
Grants	882,730.00	884,783	881,679	0	881,679	881,679	0	881,679
Total Agency Costs	\$1,099,096.59	\$1,112,813	\$1,114,328	\$8,287	\$1,122,615	\$1,114,487	\$8,347	\$1,122,834
General Fund	48,652.00	50,000	50,000	0	50,000	50,000	0	50,000
Federal Special Revenue Fund	1,050,444.59	1,062,813	1,064,328	8,287	1,072,615	1,064,487	8,347	1,072,834
Total Funding Costs	\$1,099,096.59	\$1,112,813	\$1,114,328	\$8,287	\$1,122,615	\$1,114,487	\$8,347	\$1,122,834

Overview

The Family Planning Program (FPP) provides quality comprehensive family planning services through local agencies to women ages 15-44 at risk of unwanted pregnancy.

FPP is the mainstay of the nation's efforts to expand access to family planning services among low-income women. These services are an integral part of the national endeavor to lower the incidence of unintended pregnancy (with special emphasis on decreasing teen pregnancy), to improve maternal and child health, and to reduce abortion.

FPP, a preventive health program, positively impacts the health and well-being of men, women and children. Effective family planning programs are an essential health care delivery intervention directly related to decreased high risk pregnancy and maternal and infant mortality and morbidity. Preventing unintended pregnancy is the most cost-effective means of reducing the incidence of both low birthweight and infant mortality. The health of women and children is also improved through detection and prevention of cancer and sexually transmitted diseases with women.

Family planning services include physical examinations including breast exams and annual cervical cancer screenings (Pap smears), pregnancy testing, lab testing, blood pressure readings, contraceptive dispensing, sexually transmitted disease testing and treatment as available, immunization for rubella (German measles) or referral to available services, reproductive health education and counseling and referral to public and private health care, medical and social service providers.

FFPP meets the need of those who otherwise cannot afford services and could eventually become dependent on federal agencies. Through family planning the reproductive health care needs of poor women, the availability of services to meet their needs and the access to equitable low cost, quality health care are met.

*In Montana, the cost to the government for a mother on welfare and an unplanned child averages \$3,432 per year plus food stamps and Medicaid.

*A recent study shows for every government dollar spent on family planning, from \$2.90 to \$6.20 (an average of

\$4.40) is saved as a result of averting [short term] expenditure on medical services, welfare and nutritional services.

Goals

Family planning services are directed toward the accomplishment of the following major health goals:

- Improve and maintain the reproductive health of Montana people in their reproductive years, particularly through the detection and prevention of cancer and sexually transmitted diseases with women.
- Prevent unplanned pregnancies and reduce the incidence of abortion by offering comprehensive family planning services to women at risk, with priority on low income families.
- Improve pregnancy outcome by correction of health problems between pregnancies and by proper spacing and timing of pregnancy.

Authorization

42 U.S.C. 300 et seq. Title X of the Public Health Service Act authorizes the DHHS Secretary to award grants and enter into contracts to assist in the establishment and operation of voluntary family planning projects to provide a broad range of acceptable and effective family planning methods and services.

MCA 50-1-202(9) General powers and duties directs the department to develop, adopt and

administer rules setting standards for participation in an operation of programs to protect the health of mothers and children. Such rules may include programs for...family planning services... and those authorized by Title X of the federal Public Health Service Act and Title V of the Social Security Act.

Base Program

FPP is responsible for planning, developing, implementing, and evaluating quality comprehensive reproductive and preventive health care services that impact the health status of men, women, and children in Montana. This includes, but is not limited to, fiscal management and administration, service delivery, data collection and analysis, staff development, and monitoring and evaluation of family planning services.

FPP provides comprehensive family planning services through fourteen local agencies and satellite programs to women aged 15 - 44, with priority given to low income women. Comprehensive medical, health education, and counseling services are offered that lower the incidence of unintended pregnancy (including teen pregnancy), protect against AIDS, sexually transmitted diseases and infertility, improve maternal and child health, reduce abortion, reduce the incidence of cancer, and improve the reproductive health of all Montanans.

FPP staff consists of a full-time Program Supervisor, Program Officer (job-shared position), Administrative Assistant and a Nurse Consultant.

The objectives of FPP under base funding will be to serve 19,125 low income clients; to meet the following clinical and administrative federal standards (per calendar year); on-site encounters per staff personnel equivalent physician/mid-level practitioner per year will be between 4,200 and 6,000 encounters per year (higher is better); percent of ambulatory costs attributable to administration will be no more than 16%; cost per medical encounter will be between \$18 and \$26; at least 90% of the sampled records of adolescent users will have a documentation of a counseling session prior to, or at the same time any family planning method is adopted; 100% of the records of women who have Pap smears with dysplasia/cancer will have a follow-up treatment by a gynecologist within six months of the date the Pap smear results were received.

Base Funding

The State Family Planning Program is funded by a Title X federal grant from DHHS. Federal Title X, MCH and PH block grant, and state general funds are allocated to local family planning programs through contracts with DPH.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
Low income clients served	19,125	19,125	19,125	19,125
On-site encounters	6,087	6,087	6,087	6,087
Administrative costs	\$ 14	\$ 15	\$ 15	\$ 15
Cost per medical encounter	\$ 24	\$ 24	\$ 26	\$ 26
Documented adolescent counseling sessions	100%	100%	100%	100%
Abnormal Pap smear follow-up treatment	100%	100%	100%	100%

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	4.00	4.00	4.00	.00	4.00	4.00	.00	4.00
Personal Services	95,784.62	106,744	100,558	227	100,785	100,336	228	100,564
Operating Expenses	<u>739,298.37</u>	<u>737,073</u>	<u>737,696</u>	<u>6,987</u>	<u>744,683</u>	<u>737,736</u>	<u>8,107</u>	<u>745,843</u>
Total Agency Costs	<u>\$835,082.99</u>	<u>\$843,817</u>	<u>\$838,254</u>	<u>\$7,214</u>	<u>\$845,468</u>	<u>\$838,072</u>	<u>\$8,335</u>	<u>\$846,407</u>
General Fund	0.00	7,178	0	0	0	0	0	0
Federal Special Revenue Fund	<u>835,082.99</u>	<u>836,639</u>	<u>838,254</u>	<u>7,214</u>	<u>845,468</u>	<u>838,072</u>	<u>8,335</u>	<u>846,407</u>
Total Funding Costs	<u>\$835,082.99</u>	<u>\$843,817</u>	<u>\$838,254</u>	<u>\$7,214</u>	<u>\$845,468</u>	<u>\$838,072</u>	<u>\$8,335</u>	<u>\$846,407</u>

The Handicapped Children's Services (HCS) Program is concerned with the early detection, diagnosis, treatment, rehabilitation and prevention of physically handicapping conditions in Montana's children from birth to age 18. Any child with a special health care need which requires medical services may apply for assistance from Handicapped Children's Services. Evaluation and diagnostic services are arranged through individual private providers, regional centers, and HCS funded clinics. The clinics which are provided for all children with suspected or identified handicapping conditions include those for heart, cleft lip and cleft palate, neurological and arthritic conditions. Families are assisted with referrals to appropriate health care providers and other resources that may be available to the family. HCS authorizes payment for services for those children who meet program eligibility criteria which include an income determination and an assessment of the child's medical condition for how severe and how correctable it is. Those served are provided coverage for evaluations, diagnosis, surgery and related hospitalizations, special medications and formulas, braces, ambulance transports, and occupational, physical, respiratory and speech therapies if needed.

- 1) To provide assistance to those caring for children with physically handicapping or potentially handicapping conditions or other special health care needs with the early identification and treatment of the condition.

- 2) To ensure referral to appropriate services and coordination of care for those children. When eligibility criteria are met HCS will pay for the services.
- 3) To investigate and establish a clinic for those children with metabolic disorders such as phenylketonuria, lactic acidosis and Prader-Willi Syndrome.
- 4) To work with others in the Division to establish a tracking system for high-risk infants and toddlers from birth through age 2 as required by PL 99-457.

501-1-202 (13) MCA: General powers and duties of the Department of Public Health mandates that the department "develop, adopt and administer rules setting standards for

a program to provide services to handicapped children, including standards for (a) diagnosis; (b) medical, surgical and corrective treatment; (c) after-care and related services; and (d) eligibility."

501-1-202 (9) MCA: General powers and duties directs the department to develop, adopt and administer rules setting standards for participation in and operation of programs to protect the health of mothers and children. Such rules may include those authorized by Title V of the federal Social Security Act.

Title V, Section 501 (a)(1)(B),(D): The Maternal and Child Health Block Grant directs efforts to reduce the incidence of handicapping conditions among children and provides for the care of children with special health care needs, formerly called "crippled children".

Base Program

Handicapped Children's Services provides evaluation and diagnostic services for children with known or suspected physically handicapping conditions and other health care needs. HCS reimburses health care providers for care given to children who meet program eligibility standards.

The objectives of HCS for the next biennium are:

To provide 38 clinics for children with heart conditions in Helena, Butte, Bozeman, Browning, Poplar, Havre, Kalispell, Billings and Missoula;

To provide 16 cleft clinics for children with cleft lips and cleft palates in Butte, Bozeman, Kalispell, Missoula, Billings, and Great Falls, and to coordinate services with craniofacial clinics provided through the Indian Health Services;

To partially fund 12 neurologic and arthritis clinics in Kalispell, Helena, Great Falls, and Billings;

To provide 2 clinics for metabolic disorders in Helena and Billings;

To provide payment for care for at least 400 eligible children;

To make and/or act on a minimum of 1,000 referrals for children to health care and other providers for follow-up.

Base Funding

Handicapped Children's Services is funded by Title V, the Maternal and Child Health Block Grant.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
Heart Clinics				
-- Number provided	36	38	38	38
-- Number of children seen	500	500	500	500
Cleft Clinics				
-- Number provided	17	15	16	16
-- Number of children seen	130	130	130	130
Neurology and Arthritis Clinics				
-- Number provided	14	14	14	14
-- Number of children seen	400	400	400	400
Metabolic Clinics				
-- Number to be provided			2	2
-- Number of children to be seen			15	15
Children Served with payment for services	400	400	400	400
Children Served through referrals to care	1,000	1,000	1,000	1,000

MCH BLOCK GRANT TO COUNTIES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Operating Expenses	21,117.35	0	0	0	0	0
Grants	950,291.00	672,316	672,316	672,316	672,316	672,316
Total Agency Costs	\$971,408.35	\$672,316	\$672,316	\$672,316	\$672,316	\$672,316
Federal Special Revenue Fund	971,408.35	672,316	672,316	672,316	672,316	672,316
Total Funding Costs	\$971,408.35	\$672,316	\$672,316	\$672,316	\$672,316	\$672,316

Overview

The Montana Legislature determined that a portion of the Maternal and Child Health Block Grant be distributed to the counties for health-related services to low-income mothers and children. The funds are allocated on a formula basis. The components of the formula are: 1) the total county population; 2) the number of women in the county who are of the child-bearing age (15 - 44); and 3) the number of children in the county up to age 18. For every \$4.00 of federal grant funds provided, the county must match with \$3.00 of non-federal funds.

Goals

- 1) To assist the individual counties in improving the health care of the mothers and children by providing 4/7 of the funds appropriated by the MCH Block Grant.
- 2) To thereby further the goals of the State Department of Public Health as relate to maternal and child health.

Authorization

The MCH Block Grant to counties is authorized in HB100.

Base Program

Counties are apprised by notification from the Department of Public Health of the availability of MCH Block Grant funds with instructions to return a Report of Intended Expenditures for such use which are in accord with Title V. If these proposed county activities meet with approval, contracts will be developed and funds will be forwarded as they become available. These activities will be directed solely to the provision of health services for mothers and children.

Base Funding

The MCH Block Grant allocations to counties for services to women and children is funded by Title V, the Maternal and Child Health Block Grant.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
<u>Aid to Counties</u>				
Counties served (contracts)	52	52	52	52
Well child clinics	34	34	34	34
Immunization clinics	38	38	38	38
Pregnancy-related clinics	39	39	39	39
Emergency care (counties)	27	27	27	27
Preventive care (counties)	10	10	10	10
WIC/nutrition clinics	11	11	11	11
Community nursing programs	15	15	15	15
Health education programs	15	15	15	15

PERINATAL PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	.00	3.00	3.00	.00	3.00	3.00
Personal Services	0.00	0	0	92,118	92,118	0	91,904	91,904
Operating Expenses	0.00	0	0	159,356	159,356	0	159,644	159,644
Total Agency Costs	\$0.00	\$0	\$0	\$251,474	\$251,474	\$0	\$251,548	\$251,548
General Fund	0.00	0	0	50,667	50,667	0	50,667	50,667
Federal Special Revenue Fund	0.00	0	0	200,807	200,807	0	200,881	200,881
Total Funding Costs	\$0.00	\$0	\$0	\$251,474	\$251,474	\$0	\$251,548	\$251,548

Overview

The Perinatal Program, broadly defined, includes community-based and hospital-based services, both public and private, which are operated for women prior to conception, throughout their pregnancies, and for infants through the first year of life.

Within DPH, the Perinatal Program provides for the administration, management, needs identification, implementation, coordination, evaluation and monitoring of statewide services in the perinatal arena. The purpose of the Perinatal Program is to improve the outcome of pregnancies in Montana by reducing the risk of preventable mortality, morbidity, and disability during the perinatal period, i.e., before conception through the infants's first year of life.

The Perinatal Program, including the MIAMI Project, was moved to the Family/MCH Bureau from Preventive Health Services Bureau, as part of recent Department reorganization.

Goals

- o To reduce infant mortality and the number of low birthweight births to Montana residents.
- o To eliminate barriers to prenatal care for Montana women.
- o To update the knowledge of Montana health care professionals about preventive health care practices for mothers, infants and children.
- o To eliminate or modify environmental and other risks to pregnancy.
- o To educate pregnant women and the public about substances and lifestyle practices which offer risks to the unborn infant.

Authorization

M.C.A. 2-15-2101 Provides for the Department of Public Health

decreased days required in newborn intensive care units are outcomes of these projects.

Infant mortality reduction/review programs have begun in three counties (Cascade, Lewis & Clark and Missoula) and will expand in the second year of the biennium. Through organized community effort, an in-depth examination will be made of factors which cause babies to die before their first birthdays. Improvements or changes in social, housing, economic, educational, transportation, medical and other services should be outcomes of local teamwork. State level assistance is offered in terms of coordination, training, logistical support, and data analysis.

"Baby Your Baby", a multi-media public education and outreach project for mothers to be and those who care about them, is preparing for its statewide campaign. Through collaborate public and private financing, this two-year strategy will offer television, radio, newspaper and other media opportunities for pregnant women and others to learn why early and continuous prenatal care is essential.

A toll-free telephone number and incentive packages will encourage pregnant women to access care early to ensure healthy babies.

Education for health professionals is offered through three self-study programs for physicians and nurses who provide care to pregnant and laboring women and their newborns in Montana's forty-one (41) hospitals which currently provide obstetrical services. The programs used include the Virginia Perinatal Continuing Education Program, the South Carolina Intrapartum Assessment program and the program of the Southern New Jersey Perinatal Cooperative.

Additionally, through "Neonatal Resuscitation," a course developed by the American Heart Association and the American Academy of Pediatrics, the goal of having at least

M.C.A. 50-1-202 General powers and duties of the department

M.C.A. 50-16-102 Information on infant morbidity and mortality

M.C.A. 50-19-301-323 MIAMI act inclusive

Title V, Social Security Act Authorizes Maternal Child Health Block Grant

PHS Act Authorizes Preventive Health & Health Services Block Grant

Base Program

At the Department level, the Perinatal Program provides the administrative, management, and clerical support for the Perinatal Program and the MIAMI Project. Coordination of clerical functions for the Family/MCH Bureau is provided by the Perinatal Program.

At the statewide level, the Perinatal Program provides technical, consultative, educational, evaluative and professional nursing input for low birthweight prevention projects, infant mortality reduction/review, public education and professional education. and examination of perinatal outcomes and barriers to perinatal care. Staff support for the MIAMI Advisory Council is provided by Perinatal Services.

Low birthweight prevention projects are funded in seven (7) counties (Beaverhead, Cascade, Gallatin, Lewis & Clark, Missoula, Ravalli and Yellowstone), providing access to case managed, coordinated care for 50% of Montana's pregnant women who are at risk of delivering low birthweight babies (< 5.5 pounds). Increased numbers of babies born at or near optimal birthweights, as well as

one person trained in infant resuscitation present at each delivery is being attained. The Perinatal Services program offers training to local coordinators for each of the courses for health professionals, maintains a registry of persons trained by each program, and provides other logistical support for continuing education credit, examinations and similar activities.

Nurses who work in physicians' offices are offered annually a one and one-half day seminar on women's health care and office practice issues. Public health nurses and other community-based professionals are participating in NCAST (Nursing Child Assessment Satellite Training) and NSTEP-P (Nursing Systems Toward Effective Parenting-Prematures). One instructor for NCAST works in the Perinatal Services program; four other "local instructors" are located in Billings, Missoula, Great Falls and Lewistown. Logistical assistance is provided for each course as it is offered in the state. Training for NSTEP-P instructors is scheduled for FY '91.

The "Pregnancy Riskline", a toll-free telephone service, is operated by the Utah Department of Health as a "teratogen hotline", providing current information about environmental risks to pregnancy. DPH participates in funding this service for Montana health professionals and consumers, obtains statistics which aid in planning programs, and utilizes factual information provided by the Riskline for presentations, workshops, and in response to public and professional requests.

Base Funding

The staff of the Perinatal Program are funded through MCH Block Grant, Preventive Health Block Grant (2.0 FTE, Nurse Coordinator and one administrative assistant) and General Funds (1.0 FTE, Program Manager).

Operations for the Perinatal Program are funded primarily through federal funds, with General Funds supporting travel for the MIAMI Advisory Council and contributing to the public education campaign, "Baby Your Baby".

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
<u>Low Birthweight Prevention</u>				
-- Women served	1332*	1500	1750	2000
-- Babies born at or near optimal weight	96.04%**	96.04%	96.04%	96.04%
-- Low birthweight rate	3.96%**	3.96%	3.96%	3.96%
<u>Public Education</u>				
-- Wallet cards (Preterm Labor S/S) distributed	2,162*	2,500	2,750	3,000
-- "Born Too Soon" booklets distributed	1,917*	2,000	2,500	3,000
-- "When Your Baby Has Died" booklets distributed	59*	100	150	200
-- Videos loaned	9*	15	25	30
-- "Whatever You Do, You Do For Two" materials distributed	300*	250	200	200
<u>Pregnancy Riskline</u>				
-- Calls received/prof.	158*	200	300	500
-- Calls received/consumers	401*	600	800	1,000
-- Pamphlets distributed	75*	250	500	1,000
<u>Professional Education</u>				
-- Workshops supported	8	8	8	8
-- Presentations made	20	25	25	25
-- Physicians educated				
-- Neonatal Resuscitation	33	35	35	35
-- ACOG meeting	65	65	65	65

--	Nurses educated					
	VOP/SC	135*	150	175	200	
	DLC	7	16	16	16	
	NCAST	99*	125	150	150	
	Neonatal Resuscitation	199	200	200	200	
--	Other Health Professionals					
	Neonatal Resuscitation	20	20	20	20	
--	Program display at professional mtgs. persons accessing	5	7	8	9	
		630*	700	900	1,200	

Other

--	Telephone/walk-in requests filled	1,200*	1,500	1,500	1,500	
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* projected

** provisional

PREVENTIVE HEALTH SERVICES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	23.50	23.50	23.50	-2.00	21.50	23.50	-2.00	21.50
Personal Services	630,536.96	732,360	731,031	-114,633	616,398	730,192	-114,433	615,759
Operating Expenses	1,011,356.75	1,021,329	1,043,050	-46,706	996,344	1,052,308	-46,613	1,005,695
Equipment	1,575.00	0	0	0	0	0	0	0
Grants	11,968.00	11,968	11,968	0	11,968	11,968	0	11,968
Total Agency Costs	\$1,655,436.71	\$1,765,657	\$1,786,049	\$-161,339	\$1,624,710	\$1,794,468	\$-161,046	\$1,633,422
General Fund	287,344.61	301,997	303,121	-5,709	297,412	303,403	-5,851	297,552
State Special Revenue Fund	34,104.62	54,849	60,020	0	60,020	65,874	0	65,874
Federal Special Revenue Fund	1,333,987.48	1,408,811	1,422,908	-155,630	1,267,278	1,425,191	-155,195	1,269,996
Total Funding Costs	\$1,655,436.71	\$1,765,657	\$1,786,049	\$-161,339	\$1,624,710	\$1,794,468	\$-161,046	\$1,633,422

Overview

The Preventive Health Services Bureau consists of several programs that focus on detecting, monitoring and interviewing in a variety of health problems and health risk factors in Montana. In addition to public education and awareness activities offered through various programs, the Bureau authorizes medical services and payments through financial assistance programs. Preventive Health Services' programs and projects are funded with a blend of Preventive Health Block grant, Maternal and Child Health Block Grant, state special revenue fund, general funds, and categorical grants from the Centers for Disease Control.

The Perinatal and MIAMI Programs have been moved to the Family/Maternal and Child Health Bureau. The Dental Program has been moved to the Director's Office.

The Preventive Health Services Bureau maintains administrative responsibility for the following programs: Chronic Disease Prevention and Health Promotion;

Communicable Disease Programs, including AIDS and STD Immunization; Rabies Control; Sexual Assault Services; and End Stage Renal Disease.

Goals

(See under specific activity.)

Authorization

(See under specific activity.)

Base Program

(See under specific program.)

Base Funding

All costs of the Preventive Health Services Bureau are funded through the federal MCH and PHHS Block Grant funds.

Increase/Decrease From Base

The decreases in the base budget are due to agency reorganization and the reclassification of the Bureau Chief from a grade 22 to a grade 18.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
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Bureau Administration

Administer Preventive Health
Services Programs
Specific indicators in
each program budget

1	1	1	1
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PHSB ADMINISTRATION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	5.00	5.00	5.00	-3.00	2.00	5.00	-3.00	2.00
Personal Services	148,028.06	190,340	173,208	-115,075	58,133	172,942	-114,875	58,067
Operating Expenses	241,125.97	176,127	179,051	-152,825	26,226	179,649	-153,688	25,961
Total Agency Costs	<u>\$389,154.03</u>	<u>\$366,467</u>	<u>\$352,259</u>	<u>\$-267,900</u>	<u>\$84,359</u>	<u>\$352,591</u>	<u>\$-268,563</u>	<u>\$84,028</u>
General Fund	58,053.05	61,671	61,964	-61,964	0	61,888	-61,888	0
Federal Special Revenue Fund	331,100.98	304,796	290,295	-205,936	84,359	290,703	-206,675	84,028
Total Funding Costs	<u>\$389,154.03</u>	<u>\$366,467</u>	<u>\$352,259</u>	<u>\$-267,900</u>	<u>\$84,359</u>	<u>\$352,591</u>	<u>\$-268,563</u>	<u>\$84,028</u>

Overview

The Preventive Health Services Bureau (PHSB) Administration was previously located in the Perinatal Program. Through reorganization the Perinatal Program has been transferred to the Family/Maternal and Child Health Bureau.

PHSB Administration coordinates and unifies the activities of all the programs in the bureau. The staff in the various programs are cross-trained and utilized as needed in times of greatest need of a specific program, i.e., an outbreak. It is the Bureau Chief's role to see the resources are directed appropriately. The Bureau Chief manages several of the programs and coordinates the application for and use of the Preventive Health Block Grant. The bureau chief provides technical advice to the programs in both professional health and program management areas. PHSB ensures appropriate utilization of resources to accomplish the goals of the various programs. The various programs often work with the same providers, i.e., local health departments and bureau coordination through bureau administration ensures this is done in a cohesive manner. Preventing duplication of effort by the various programs is a major emphasis of PHSB administration.

Goals

- Unify the effort of the various programs within the bureau
- Provide technical advice to the programs, local health departments and general public related to health matters addressed within the bureau (chronic and communicable disease control)
- Provide technical advice to the program managers related to program management
- Marshall the resources of the bureau to respond to health crises such as communicable disease outbreaks
- Apply for and utilize the Preventive Health Services Block Grant funds available to Montana
- Assure coordination between the various programs within the Bureau and the Department and other agencies.

Authorization

(See under specific activity)

Base Program

(See under Perinatal Program)

Base Funding

(See under Perinatal Program)

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
<u>Low Birthweight Prevention</u>				
-- Women served	1332*	1500	1750	2000
-- Babies born at or near optimal weight	96.04%**	96.04%	96.04%	96.04%
-- Low birthweight rate	3.96%**	3.96%	3.96%	3.96%

Public Education

-- Wallet cards (Preterm Labor S/S) distributed	2,162*	2,500	2,750	3,000
-- "Born Too Soon" booklets distributed	1,917*	2,000	2,500	3,000
-- "When Your Baby Has Died" booklets distributed	59*	100	150	200
-- Videos loaned	9*	15	25	30
-- "Whatever You Do, You Do For Two" materials distributed	300*	250	200	200

Pregnancy Riskline

-- Calls received/prof.	158*	200	300	500
-- Calls received/consumers	401*	600	800	1,000
-- Pamphlets distributed	75*	250	500	1,000

Professional Education

-- Workshops supported	8	8	8	8
-- Presentations made	20	25	25	25
-- Physicians educated				
-- Neonatal Resuscitation	33	35	35	35
-- ACOG meeting	65	65	65	65

--	Nurses educated				
	VOP/SC	135*	150	175	200
	DLC	7	16	16	16
	NCAST	99*	125	150	150
	Neonatal Resuscitation	199	200	200	200
--	Other Health Professionals				
	Neonatal Resuscitation	20	20	20	20
--	Program display at				
	professional mtgs.	5	7	8	9
	persons accessing	630*	700	900	1,200

Other

--	Telephone/walk-in requests filled	1,200*	1,500	1,500	1,500
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* projected

** provisional

Increases/Decreases from Base

The decrease is due to agency reorganization. reclassified from a grade 22 to a grade 18.

The Perinatal Program was moved to Program 07 and the Bureau Chief was

DENTAL

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	1.00	1.00	1.00	-1.00	.00	1.00	-1.00	.00
Personal Services	34,797.09	58,651	53,560	-53,560	0	53,433	-53,433	0
Operating Expenses	34,256.85	37,009	37,853	-37,853	0	38,637	-38,637	0
Total Agency Costs	\$69,053.94	\$95,660	\$91,413	\$-91,413	\$0	\$92,070	\$-92,070	\$0
General Fund	13,684.89	21,958	20,968	-20,968	0	21,115	-21,115	0
Federal Special Revenue Fund	55,369.05	73,702	70,445	-70,445	0	70,955	-70,955	0
Total Funding Costs	\$69,053.94	\$95,660	\$91,413	\$-91,413	\$0	\$92,070	\$-92,070	\$0

Overview

The Dental Unit has been transferred to the Medical/Dental Unit in the Director's Program.

COMMUNICABLE DISEASES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	10.00	9.00	10.00	1.50	11.50	10.00	1.50	11.50
Personal Services	229,898.24	233,430	274,822	43,500	318,322	274,328	43,400	317,728
Operating Expenses	430,847.60	463,675	471,235	102,015	573,250	472,658	102,387	575,045
Equipment	1,575.00	0	0	0	0	0	0	0
Total Agency Costs	\$662,320.84	\$697,105	\$746,057	\$145,515	\$891,572	\$746,986	\$145,787	\$892,773
General Fund	49,318.39	49,988	53,792	77,326	131,118	53,921	77,337	131,258
Federal Special Revenue Fund	613,002.45	647,117	692,265	68,189	760,454	693,065	68,450	761,515
Total Funding Costs	\$662,320.84	\$697,105	\$746,057	\$145,515	\$891,572	\$746,986	\$145,787	\$892,773

Overview

COMMUNICABLE DISEASE:

Surveillance, investigation of reported cases and outbreaks of communicable diseases are performed to prevent the spread of over 70 reportable diseases and syndromes in Montana. Rabies prevention and tuberculosis control are priorities. The State Epidemiologist receives information from and provides technical assistance to private and public health care providers, in conjunction with other department programs. Epidemiologic assistance is provided to other state agencies as requested.

AIDS PROGRAM:

The Montana AIDS Program provides direct services and contractual support for 1) school, public and professional education; 2) surveillance and seroprevalence activities; 3) counseling, testing, referral and partner notification activities; 4) public information and surveys of knowledge, attitudes, beliefs and behaviors; 5) resource assessment and evaluation to monitor and prevent the spread of the Human Immunodeficiency epidemic in Montana.

SEXUALLY TRANSMITTED DISEASES:

The Montana STD Control Program comprehensively surveys for reportable STDs; analyzes morbidity trends; provides technical assistance and professional training to local health agencies and private health care providers; coordinates efforts of various health care providers and organizations; distributes public education materials and supplies to schools and local health care providers; provides direct disease intervention and outbreak control services when gonorrhea, syphilis or chlamydia are reported; and promotes risk reduction behaviors to prevent sexually transmitted diseases in the state.

TUBERCULOSIS CONTROL

With the closure of Galen, the Department will be providing a community based Tuberculosis control program. The program will contract with local health departments, medical facilities and other health and social agencies to ensure adequate treatment of persons with infection and disease caused by Mycobacterium tuberculosis. Support of direct patient care activities to effective optimum

tuberculosis control in Montana would also be done, i.e., training of health professionals. The Department of Institutions will continue to provide the medication for treatment of persons with tuberculosis disease (cases).

Goals

I. COMMUNICABLE DISEASE:

- A. Reduce morbidity and mortality due to preventable and controllable communicable diseases.
- B. Maintain a passive surveillance system.
 1. Assist local health jurisdictions in establishing active surveillance systems.
- C. Analyze data about preventable treatable communicable diseases collected via the surveillance system.
 1. To detect and document recognized public health crises.
 2. To detect and document emerging public health crises.
- D. Provide technical assistance to local health jurisdictions.
 1. To implement effective disease prevention and control efforts.
 2. To ensure use of the current research based information regarding communicable disease control.
 3. To benefit from the accumulated data related to Montana communicable disease surveillance data.
- E. Provide health care and consumer education via various means to ensure the practice of up-to-date public health in Montana.

II. AIDS PROGRAM:

- A. Reduce Human Immunodeficiency Virus transmission in Montana through timely and appropriate public health intervention.
- B. Maintain a Montana seroprevalence rate for HIV at less than 50% of the national rate per 100,000 population.
- C. By January, 1992, less than 1% of Montanans donating blood will be positive for HIV antibody.
- D. By January, 1992, less than 5% of gay men, IV drug users attending treatment centers in three largest cities, or public STD clinic patients in Montana will be positive for HIV antibody.
- E. By January, 1992, less than 2% of women seeking health care in Montana's three largest family planning clinics will be positive for HIV antibody.
- F. By January, 1992, reduce the prevalence of HIV infection in those seeking testing in Montana from the average between 1985-89 of 1.3%.
- G. Increase awareness and amount of HIV testing of Indian STD patients, prenatal patients, alcoholics, IV drug users and Hispanic seasonal agricultural workers.

SEXUALLY TRANSMITTED DISEASES:

- A. Reduce the incidence rate of early syphilis in Montana.
- B. Prevent any cases of congenital syphilis from occurring in Montana.
- C. Reduce the incidence rate of gonorrhea in Montana.
- D. Reduce the incidence rate of chlamydia reported in Montana.
- E. Assess and reduce the prevalence rate of HIV infection in clients attending STD clinics in Montana.

F. Develop a standardized, comprehensive, sensitive surveillance system in Montana for sexually transmitted diseases.

TUBERCULOSIS CONTROL

The goals of tuberculosis control nationally and in Montana are three-fold. These are as follows:

- A. Ensure adequate treatment of those with infectious disease in order to prevent them from infecting others.
- B. Ensure preventive treatment for those infected without disease so they will not become infectious.
- C. Prevent infection in those who are not infected.

Authorization

Montana Constitution, Article II, Section 3: "Inalienable right. . .to a clean and healthful environment."

MCA 37-2-301: Duty to Report Cases of Communicable Disease.

MCA 2-15-2101 through 2107: Department of Public Health authorization. Organizational Rule-as found in ARM 16.1.101 (5), (iv), which states "gives special attention to control of communicable diseases--because of their public health significance".

MCA 20-5-401 through 410: Montana Immunization Law: Mandates immunization documentation for students in all public and private preschools, k-12 and post-secondary schools.

MCA 52-2-735: Day-care center certification. Mandates the adoption of rules for the protection of health of children in day-care centers.

MCA 50-1-101 through 206: Department designates diseases as communicable. Department may take action when public health laws are violated. General power and duties include studying conditions affecting citizens. Investigating, incoming and recommending control of communicable disease. Administer health programs delegated to states (communicable disease control is delegated to states). Adopt and enforce rules regarding the definition, reporting and control of communicable diseases. Enforce quarantine against another governmental unit. Regulation of schools in matter of health.

MCA 50-2-101 through 50-2-124: DPH designates communicable diseases to be controlled. Power and duties of local boards (monitored by MDPH)

MCA 50-17-101 through 50-17-114: Tuberculosis control.

MCA 50-18-101 through 50-18-113: Sexually Transmitted Disease.

MCA 50-19-101 through 108: Serological test for women seeking prenatal care.

MCA 50-23-106: Rabies Control.

MCA 50-16-601 through 611: Government Health Care Information-protects inviolability of public health patient and contact information.

MCA 50-16-701 through 705: Report of Exposure to Infectious Disease.

MCA 50-16-1001 through 1013: AIDS Education and Prevention.

MCA-5-201 through 50-5-231: Tuberculosis testing for health care facility employees and long-term care residents.

MCA 50-50-101-105: Food establishments-diseased person not to handle food.

MCA 50-17-101 through 115: Tuberculosis Control

Base Program

COMMUNICABLE DISEASE:

The morbidity and mortality from communicable disease has been substantially reduced nation-wide and in Montana since the beginning of this century. However, there is a certain level of effort which must be maintained to ensure the incidence of preventable and controllable diseases caused by ubiquitous and other specific organisms will be kept to a minimum.

In the legislative authority for communicable disease control in Montana much responsibility for direct actions is delegated to counties. However, a state-wide perspective must be maintained to receive reports from other state health jurisdictions, detect trends and outbreaks, and notify jurisdictions affected because the counties do not regularly interact with one another. The small number of cases possible from any one county in Montana makes the need for a state-wide surveillance system even more crucial.

There are 75-100 diseases, syndromes and conditions under continual surveillance by the communicable disease section of MDPH. Each report made to the Department is analyzed

whether for documentation only or for documentation and follow-up. If the case is reported from a source other than a county health department, MDPH reports it to the county which has the major responsibility for implementing control measures. All cases are entered into the Epi-Info database for national reporting and analysis.

Approximately 2426 man hours per year are spent providing technical assistance via phone and field visits to county health departments to ensure communicable disease control. The other 1734 man hours per year devoted to communicable disease involve at least surveillance activities of documentation and analysis of data, education of health professionals and the public and maintaining state of the art information for providing technical assistance. The Communicable Disease Program maintains a 24 hour answering service for local health care providers to call regarding communicable disease problems. The majority of calls via the answering service are related to rabies prevention in humans, suspected botulism, possible measles cases and the need for not often used biologicals such as Varicella Zoster Immunoglobulin. An average of two calls per week are fielded by MDPH via the answering service nights and weekends with calls increasing in the summer months.

While there are 75-100 reportable diseases, conditions and syndromes, several recur as those for which technical assistance from MDPH is required on a regular basis. Tuberculosis, hepatitis, rabies prevention, communicable enteric disease, sexually transmitted disease and rash illness evoke the most requests for assistance from the MDPH communicable disease section on a continual basis. Some disease occur more sporadically or seasonally and evoke requests on such a basis. These include at least: influenza, arthropod-borne diseases, meningococcal disease and viral syndromes.

The Communicable Disease Program is staffed with the State Epidemiologist. The State Epidemiologist for each state and territory is the central contact person for Centers for Disease Control in Atlanta Georgia which houses most of the Department of Health and Human Services (DHHS) public health programs. Montana reports surveillance data for 46 diseases to DHHS to develop continuing studies related to prevention of communicable disease.

The Program is the recipient of information concerning persons entering the country as refugees and aliens and provides information to persons regarding requirements for international travel.

As well as international travel, the Communicable Disease Program cooperates with inter-state referral of communicable disease cases to ensure proper treatment and investigation via the network established by Centers for Disease Control. Notification is made to the Program and the Program interacts with the county to which the case is going.

AIDS PROGRAM:

The MDPH Acquired Immunodeficiency Syndrome Program assesses current and projected resource requirements for the state through the Governor appointed AIDS Advisory Council. The program conducts active surveillance to identify cases and trends in disease incidence and maintains a secure case registry. Cases are investigated to identify risks factors and to ensure partner notification.

Selected seroprevalence surveys are conducted in conjunction with the MDPH Public Health Laboratory to identify extent of disease spread. The Program supports laboratory services for testing of public and private specimens.

Surveys are conducted to evaluate changes in knowledge, attitude, belief and behavior of the general public, Native Americans, gay or bisexual men, college students, intravenous drug users and school aged youth. Public information campaigns are conducted and contracted out to increase awareness of AIDS and the associated risks in Montana. Materials are distributed to private and public health care providers, insurance companies, schools, clinics, other state agencies and organizations, and the general public. A Montana public information AIDS hotline is available 24 hours a day.

Health education/risk reduction services are provided to state agencies, organizations, schools and local public and professional groups through direct services and contracted services to 9 local public health agencies and several community based organizations, to prevent spread of HIV infection. Voluntary, anonymous, counseling and testing services are provided through contract with 12 local public health agencies. These services, initiated to prevent a contaminated blood supply are targeted at those at highest risk of HIV infection. Sex and needle-sharing partners of those infected with HIV are counseled and referred for testing. Services are contracted for Montana's Native American and Hispanic population, to reduce or prevent high risk behavior.

The AIDS Program collaborates with the Office of Public Instruction and Commissioner of Higher Education, to ensure appropriate education is provided in Montana's public schools. An AIDS Review Panel meets quarterly to ensure any documents printed or audio-visual materials purchased are appropriate for the audience intended. All components of the program are evaluated quarterly.

SEXUALLY TRANSMITTED DISEASES:

The Montana STD Program conducts surveillance in conjunction with the Communicable Disease Section. Educational efforts for prevention of STD infection are based on surveys of knowledge, attitude, beliefs and behaviors of the AIDS program surveys and STD morbidity trends. Pamphlets and audio-visual materials are distributed to schools, local health agencies, physicians, institutions and the general public. Presentations are made to health care providers and the general public on modes of transmission, trends and current issues in STD in Montana.

Five local STD clinics located in local health departments receive technical, medical, and educational assistance from the program in providing local screening treatment and partner referral of patients. Other health facilities receive consultative and partner referral assistance from the program. A Montana STD Program Manual is being distributed to local health departments, family planning agencies, job corp centers, Indian Health Service Units, college health services and others to assist them in their performance. Patient interview and partner referral assistance is provided by the program. Training and continuing education assistance is provided to selected local public and private health care professionals as needed.

Laboratory services are supported for screening in selected populations and for continuing education of laboratory personnel. A register of reactive bloods is maintained to assist physicians with management of suspect syphilis patients. Exchange of information on patients and their contacts is made with other state health jurisdictions as needed.

Base Funding

COMMUNICABLE DISEASE:

The General Communicable Disease Control Program is funded 100% by general fund monies.

AIDS PROGRAM:

The HIV/AIDS Prevention and Surveillance Cooperative Agreement is funded 100% with federal categorical grant funds through the Centers for Disease Control (U.S. Department of Health and Human Services.)

SEXUALLY TRANSMITTED DISEASES:

This program is funded 100% with federal categorical grant funds through a cooperative agreement with the Centers for Disease Control (U.S. Department of Health and Human Services.)

TUBERCULOSIS CONTROL

Funding has been included in the Department of Institutions budget.

Performance Indicators

COMMUNICABLE DISEASE:

	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
1. Enter communicable disease reports into databases.	4,000	4,000	4,000	4,000
2. Provide hours of consultation to local health care providers.	2,426	2,426	2,426	2,426
3. Present workshops to local health care providers.	5	5	5	5
4. Monitor active tuberculosis patients during treatment.	30	30	30	30
5. Respond to requests via the answering service during non-state working hours.	104	104	104	104
6. Provide international travel information.	260	260	260	260
7. Visit counties regarding routine surveillance and prevention.	112	112	112	112
8. Participate on site with a county in an outbreak investigation.	5	5	5	5

9. Provide rabies post-exposure consultation and vaccine.	100	100	100	100
10. Distribute issues of the Monthly Morbidity.	14,400	14,400	14,400	14,400
11. Produce fact sheets about certain communicable diseases for the public.	59	59	59	59
12. Report to special studies at Centers for Disease Control.	156	156	156	156
13. Report weekly to Centers for Disease Control regarding 44 diseases nationally reportable.	2,346	2,346	2,346	2,346
14. Analyze data about certain diseases for special concerns.	20	20	20	20

AIDS PROGRAM:

Surveillance & seroprevalence:

1. Contact hospitals quarterly about surveillance	50	58	58	58
2. Perform and record HIV antibody tests.	5,057	5,500	6,500	7,000
3. Report HIV antibody test results to providers.	250	250	250	250

4. Consult individually about HIV test results.	70	75	75	75
5. Update case reports and send nationally.	108	150	200	250
6. Conduct double-blinded seroprevalence testing.	10,998	7,100	7,100	7,100
Counseling and testing:				
7. Provide pre- and post-test counselling & testing for HIV.	2,089	2,200	2,300	2,400
8. Train local providers in HIV counseling/testing.	85	100	115	115
Health Education/Public Information:				
9. Review educational pamphlets and tapes for purchase.	130	130	130	130
10. Provide consultations to the media and general public.	950	1,000	1,100	1,100
11. Provide consultations to professionals and agencies.	2,000	2,500	3,000	3,000
12. Provide taped telephone information on HIV to callers.	1,600	1,600	1,600	1,600
13. Survey selected populations on knowledge, attitudes, beliefs and analyze & distribute data.	2,287	410	410	410

14. Distribute case report data to providers and public.	25	30	30	30
15. Prepare written articles for health care professionals.	20	25	30	30
16. Provide outreach education to IV drug users.	100	100	25	25
17. Provide risk reduction education to other high risk populations.	75	125	150	150
18. Provide culturally sensitive AIDS education to minorities.	6,640	6,500	6,500	6,500
19. Process changes to the Montana AIDS resource directory.	25	30	35	35

SEXUALLY TRANSMITTED DISEASES:

1. Review disease reports.	8,253	7,900	7,300	7,000
2. Enter STD reports into database.	2,950	2,250	2,000	1,800
3. Ensure interviews of gonorrhea cases.	205	175	150	125
4. Ensure interviews of syphilis cases.	7	6	6	6
5. Ensure interviews of public chlamydia cases.	877	925	1,000	1,075

6. Ensure treatment of STD cases.	1,150	1,000	950	900
7. Refer sex partners for exam and/or treatment.	207	220	250	275
8. Screen females for gonorrhea.	16,350	16,100	15,000	14,000
9. Screen females for chlamydia.	17,080	19,000	20,000	21,000
10. Ensure prenatal screening for syphilis.	12,000	12,000	12,000	12,000
11. Ensure medical assessment of reactive prenatal bloods.	14	14	14	14
12. Counsel STD clients about HIV risk reduction.	420	500	600	700
13. Visit licensed MT labs.	2	15	30	30
14. Ensure reporting from Montana labs.	57	65	65	65
15. Write articles to be distributed to health professionals.	13	12	12	12
16. Provide training for STD clinicians & STD investigators.	36	50	50	50
17. Distribute professional articles to health care providers and laboratories.	100	150	175	200

18. Provide consultations to local health care providers.	300	300	300	300
19. Provide public education talks upon request	6	8	8	8
20. Distribute educational materials to local health providers, schools, public & physicians upon request.	4,000	4,500	5,000	5,000

Increase or Decrease from Base

The increase to the base for the Sexually Transmitted disease (STD) Program is due primarily to an increase of 1.5 FTE and operational costs. The increased federal awards for 1990-91 for these positions also supports increased services for control of chlamydia, a newly recognized STD. The STD Program is funded 100% with federal grant funds and the 1.5 additional FTEs have been funded during SFY91 through budget amendment.

The base has been increased \$75,000 each year of the biennium for the Tuberculosis Control Program. The increase for tuberculosis control is requested as part of the Governor's proposal to close Galen State Hospital. The patients will need community-based follow-up and treatment to insure adequate tuberculosis control. The base increase will be used solely for purchase of appropriate drugs.

CHRONIC DISEASE PREVENTION AND HEALTH PROMOTION

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Personal Services	77,599.11	77,745	81,897	10,162	81,915	10,137
Operating Expenses	66,195.41	79,588	83,593	33,616	83,643	33,708
Total Agency Costs	\$143,794.52	\$157,333	\$165,490	\$43,778	\$165,558	\$43,845
						\$209,403
General Fund	0.00	2,086	0	0	0	0
Federal Special Revenue Fund	143,794.52	155,247	165,490	43,778	165,558	43,845
Total Funding Costs	\$143,794.52	\$157,333	\$165,490	\$43,778	\$165,558	\$43,845
						\$209,403

Overview

Goals

The purpose of the Montana Chronic Disease Prevention and Health Promotion Project is to create and expand interventions in chronic disease. Utilizing a chronic disease advisory council, the primary focus has been on the capacity of the state health agency to administer a chronic disease focal point in Montana. Interventions address risk factors of tobacco, nutrition and physical fitness, as well as cardiovascular disease, cancer and diabetes as priority targets. The program aims its efforts on worksites, schools and the elderly. The project goals are described as: encourage the incorporation of chronic disease control strategies in existing programs; define the nature and magnitude of chronic disease and populations at risk; communicate to consumers and providers information about preventive practices, healthy lifestyles and behavior change; inform health care professionals about their role in chronic disease control through standards of screening care and treatment; and develop partnerships and initiatives with special populations to address unique chronic disease issues.

Authorization

Montana Constitution: Article II, Section 3, "Inalienable right -- to a clean and health environment."

State Law: 50-1-201 through 204, General Powers and Duties Mandates the department to administer federal health programs, conduct health education programs, and conduct school health services.

50-2-101 through 124, Local Boards of Health

Suggests health education, disease prevention, community organization, training, and school health services.

Montana Constitution, Article II, Section 3, "Inalienable right--to a clean and healthful environment."

MCA 50-1-202, General powers and duties, "study conditions affecting the citizens of the state by making use of birth, death, and sickness records; make investigations, disseminate information, and make recommendations for control of disease and improvement of public health to persons, groups, or the public; administer federal health programs; conduct

health education programs; and provide consultation to local boards of health.

Section 301(a) of the Public Health Service Act (42 U.S.C. 241 (a)), and Section 317 (k)(3)(42 U.S.C. 247b (k)) as amended; Catalog of Federal Domestic Assistance #13.283.

Base Program

In the decade of the 1980's, 70% of the Montana deaths were attributed to chronic diseases. These deaths were largely related to diseases which resulted from modifiable lifestyle factors. According to the Centers for Disease Control, approximately 51% of these deaths could have been prevented by changing behaviors, such as seat belt non-use, smoking, sedentary lifestyle, excessive drinking, and poor nutrition.

The purpose of the Montana Chronic Disease Prevention and Health Promotion Project is to create and expand interventions in chronic disease. Utilizing a chronic disease advisory council, the primary focus has been on the capacity of the state health agency to administer a chronic disease focal point in Montana. Interventions address risk factors of tobacco, nutrition and physical fitness, as well as cardiovascular disease, cancer and diabetes as priority targets. The program aims its efforts on worksites, schools and the elderly. The project goals are described as: encourage the incorporation of chronic disease control strategies in existing programs; define the nature and magnitude of chronic disease and populations at risk; communicate to consumers and providers information about preventive practices, healthy lifestyles and behavior change; inform health care professionals about their role in chronic disease control through standards of screening care and

treatment; and develop partnerships and initiatives with special populations to address unique chronic disease issues.

In an effort to reduce future morbidity and mortality, the Health Promotion and Education Program assists with:

- 1) needs assessment;
- 2) development of public policy and legislation;
- 3) leadership in the planning and development of health promotion programs;
- 4) coordination and support for local health departments;
- 5) grantmanship;
- 6) public information clearinghouse; and
- 7) training and development.

The programs are designed to provide education and information that targets the general public, health care providers, the elderly, minorities, worksites, medically underserved and in-school youth.

The Behavioral Risk Factor Surveillance System is a telephone survey system in which 99 randomly selected Montanans are interviewed each month about health behaviors including: seatbelt use; cholesterol levels; hypertension control; smokeless tobacco use; AIDS; physical exercise; routine medical check-ups; weight control; mammography; drinking habits; influenza; vaccination; cigarette smoking. This provides data about personal health behavior and health status which are unique to Montana's adult (18 and over) population. A survey such as this one, is the only direct way of determining the distribution of behavioral risk factors among a population.

Base Funding

The Chronic Disease Control Program and the Behavioral Risk Factor Surveillance System is funded 100% through a cooperative agreement with the Centers for Disease Control. The Health Promotion and Education Program is funded 100% through the Preventive Health Services Block Grant from the Centers for Disease Control.

Performance Indicators

	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
1. Determine prevalence rates of risk factors (monthly surveys)	99	99	99	99
2. Annual update of inter-agency chronic disease plan	1	1	1	1
3. Collect and analyze chronic disease data and produce annual report	1	1	1	1
5. Disseminate information on chronic diseases through press releases, newsletters and other educational materials	10,000	10,000	10,000	10,000
6. Consultation with private, government and health promotion groups on chronic disease prevention	15	15	15	15
7. Coordination of regional workshops on chronic disease epidemiology	3	3	3	3
8. Manage community-based health promotion program contracts	3	6	6	6
9. Update state plan on cancer & heart disease	1	1	1	1

10. Produce disease prevention programs for minorities and underserved (number of individuals served)

20,000 20,000 20,000 20,000

Increase to the Base

The purpose of the request for an increase of \$40,465 to the base year is to fund and support .5 FTE of an administrative assistant whose primary functions are to organize, manage and coordinate the flow of work with the Chronic Disease Program. Additionally, the department will be funding six local programs, writing an annual report, contract an additional three months of behavior risk surveillance, purchase of supplies, equipment and supplies. The cost of the increase to the base is 100% federal funding. The .50 FTE is included in a SFY 1991 budget amendment. The increase to the base continues the current budget amendment.

IMMUNIZATION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	5.00	6.00	5.00	.00	5.00	5.00	.00	5.00
Personal Services	140,214.46	172,194	147,544	340	147,894	147,574	338	147,912
Operating Expenses	79,826.30	85,081	86,298	8,341	94,639	86,847	9,617	96,464
Total Agency Costs	\$220,040.76	\$257,275	\$233,842	\$8,681	\$242,523	\$234,421	\$9,955	\$244,376
General Fund	41,288.28	41,294	41,397	-103	41,294	41,479	-185	41,294
Federal Special Revenue Fund	178,752.48	215,981	192,445	8,784	201,229	192,942	10,140	203,082
Total Funding Costs	\$220,040.76	\$257,275	\$233,842	\$8,681	\$242,523	\$234,421	\$9,955	\$244,376

Overview

Montana Constitution

Article II, Section 3

Inalienable right...to a clean and healthful environment"

Goals

1. Reduce morbidity (number of cases) and mortality (number of deaths) due to vaccine-preventable diseases.
2. Interrupt the transmission of indigenous (cases where the origin is in-state) measles.
3. Maintain 90% immunization levels for school children against measles, rubella, poliomyelitis, diphtheria, tetanus, pertussis and mumps. Maintain 95% immunization levels for children enrolled in licensed daycare centers against measles, rubella, poliomyelitis, tetanus, pertussis and mumps. Maintain 90% immunization levels in post-secondary students against measles and rubella.

Authorization

STATE LAWS (corresponding rules are not included here):

20-5-401 through 410

Montana Immunization Law

Mandates immunization documentation for all students in all public and private schools, including, preschool, k-12, and post-secondary schools. The Department approves immunizing agents, excludes students not immune and exposed to disease, prescribes forms to be used, adopts rules for implementing the law, establishes time periods for immunization, seeks legal remedy for those fail to meet requirements, and institutes any enforcement proceedings.

52-2-735

Day-care Center Certification

Mandates the adopt of rules for the protection of children in day-care centers, including communicable diseases.

Regulation of Schools in Health Matters

Mandates the Department to adopt regulations for the health and well being of persons in and those who frequent schools.

50-1-201 Through 204

General Powers and Duties of the Department

Mandates the department to do investigations, disseminate information, make recommendations for control of communicable diseases; administer federal health programs; conduct health education programs; consult with schools; brings legal action; adopt and enforce health rules; and quarantine.

50-2-101 through 124

Local Boards of Health

Designates communicable diseases to be controlled; supervise destruction of the cause of disease; guard against communicable disease; quarantines; use of isolation; treatment of those with communicable diseases; close buildings during epidemics; report communicable diseases; removal of diseased prisoners; authorizes compliance orders.

50-19-102

Serological Testing for Women Seeking Prenatal Care

Requires every female to be tested for rubella immunity when seeking prenatal care.

Government Health Care Information

Requires confidentiality of information about persons and health conditions relating to communicable disease, when the information is used to control communicable diseases.

Base Program

Vaccine preventable diseases continue to occur in Montana. Not only can the diseases cause permanent disability and death but, costs associated with medical treatment and containing outbreaks can be extensive.

It has been well documented that for every dollar spent on prevention of these diseases, 10 dollars is saved in medical costs, disability, and lost productivity costs resulting from their disabling effect.

The Immunization Program maintains a comprehensive statewide program to prevent the occurrence and interrupt the transmission of vaccine-preventable diseases including: measles, rubella, mumps, pertussis (whooping cough), poliomyelitis, tetanus, diphtheria and haemophilus influenza type b disease (Hib). This is accomplished through 1) providing vaccine for the diseases listed above to all public clinics in Montana, 2) maintaining disease surveillance and reporting of suspected cases, 3) investigating suspected outbreaks immediately to interrupt the transmission of disease by ensuring all exposed are immune or seek medical care, 4) monitoring immunization levels to reduce the potential for disease occurrence, 5) ensuring schools, public and private, preschool through post-secondary, comply with the immunization law, and, 6) educating the public and health providers about the ever-changing world of vaccines and vaccine-preventable diseases.

Vaccine

Receiving and distributing vaccine is a key component of the Immunization Program. The 83 public clinics receive the above vaccines at no charge and include county health departments, Indian Health Service Units, and other clinics which operate with public moneys. Currently, all vaccine distributed by the program is obtained from the Centers for Disease Control (CDC) through an annual grant.

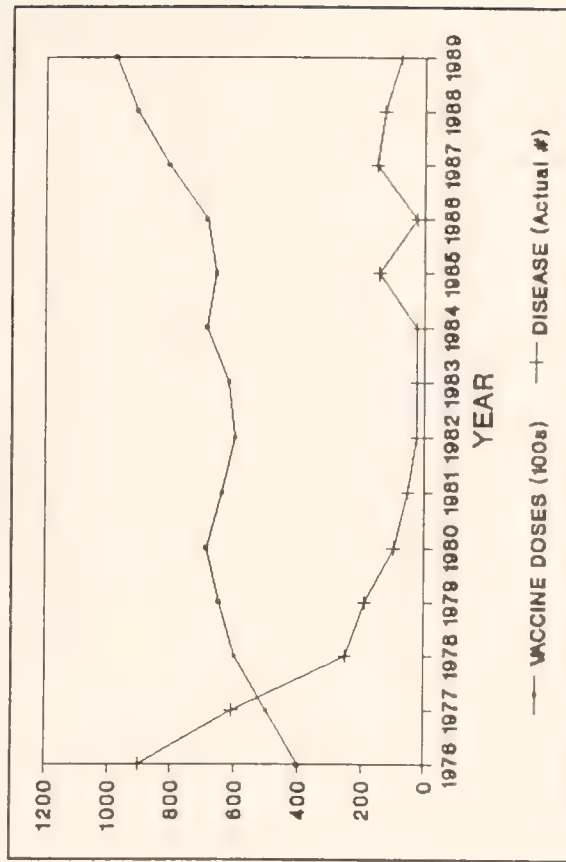
At present, conditions of the grant include: "No charge may be made to patients for the cost of the vaccine provided through project grant funds, whether administered in public clinics or by private physicians. Also, "no children may be denied vaccine at any vaccination site assisted by Federal grant funds."

For the grant period January-December 1991, Montana received 24% less for vaccine funding than was requested for routine immunizations. There are no assurances that Montana will be provided all of the vaccine needed by public clinics through the CDC grant. The CDC has requested state general fund support for the vaccine program.

Program Effectiveness

The following chart demonstrates the effectiveness of this program with the number of doses provided at public clinics corresponding with a sharp decline of vaccine-preventable diseases in Montana.

Montana Immunization Program's Total
Vaccine Doses Used and Number of
Childhood Disease Cases Reported (Measles,
Mumps, Rubella, Polio, Diphtheria, Tetanus,
and Pertussis) 1976-1989



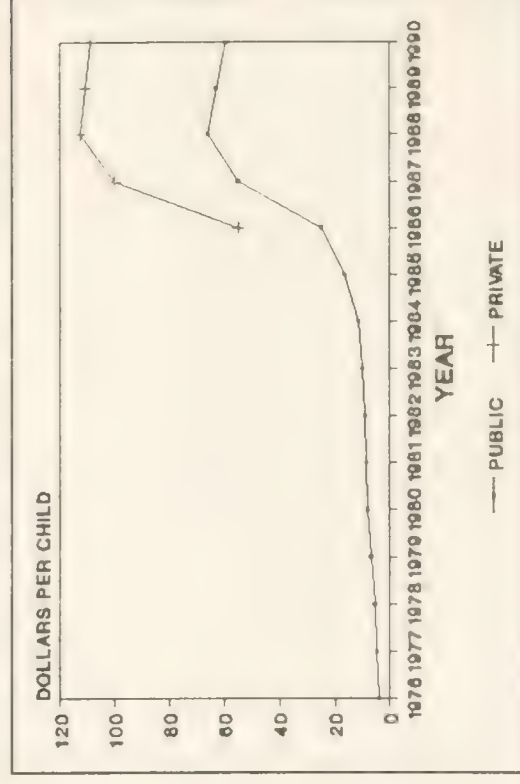
A dramatic decline in the incidence of the childhood vaccine preventable diseases occurred between 1976 and 1980. At the same time, there was an increase in the total number of vaccine doses used at public clinics. This corresponds with the increase in immunization levels in Montana school children during the same time period. The peaks in the disease incidence line during 1985 and 1987 are due to measles outbreaks in Browning (1985) and, the state wide outbreak (1987). Measles accounts for the majority of the childhood vaccine preventable diseases reported between 1976 and 1989.

Total doses of vaccine used at public clinics has continued to rise.

Vaccine Cost Increases

Vaccine costs have risen dramatically since 1984, seen in the following graph. It currently costs approximately \$115, for the vaccine alone, to fully immunize a child at a private physicians office.

Federal Vaccine costs to Fully Immunize One Child (5 - DTP; 4 - Polio; 1 - MMR) from 1976 to 1990 and Private Vaccine Cost To Fully Immunize One Child From 1986 to 1990



This chart demonstrates the skyrocketing price of vaccines since 1984.

This increase in vaccine costs has led to an increase in the public clinic use. Many private physicians are referring patients to the public clinics due to the prohibitive cost of vaccine to the private sector. In Yellowstone County, there has been a steady increase in the number of doses of vaccine used since 1985, as follows:

VACCINE USAGE, YELLOWSTONE COUNTY
1985-1989

<u>YEAR</u>	<u>NUMBER OF DOSES</u>	<u>INCREASE</u>
85-86	3920	
86-87	6283	60%
87-88	7605	21%
88-89	10,034	32%

This same trend is seen in other clinics in Montana.

Outbreak Control/Investigation Activities

The Immunization Program provides assistance to counties for investigating disease outbreaks. In the event of a measles outbreak, Field Health Officers from the program will be on-site, in the community of the case to ensure all avenues for containing the outbreak are used. Ensuring all persons, who either have been or may be exposed to a disease, are quickly identified, informed of the exposure, and are appropriately immunized, is a major factor in stopping an outbreak. The three Field Health Officers are the primary resource for maintaining a state-wide disease surveillance system, ensuring immunization levels are maintained, ensuring Montana laws and regulations are followed, ensuring current vaccine and disease references are available and used, and ensuring disease investigations occur within established guidelines.

Vaccine Safety/Meeting Federal Vaccine Guidelines

Ensuring vaccine quality and safety includes maintaining a vaccine contract with all public clinics, performing annual on-site visits to review vaccine storage, handling and administrative procedures. Clinic reviews also include ensuring all persons are informed of the risk and benefit of vaccines with required documentation maintained as a

condition of the federal grant.

Maintaining Immunization Levels

Maintaining immunization levels in the community includes performing surveys based on school reports, day-care/headstart reports, and records of persons using public clinics.

Consultation

Ensuring Montana laws and rules are followed includes consultation with school officials, physicians, nurses, local health departments, and the general public. There is always someone from the program available to respond to disease investigation needs, including the use of a 24 hour answering service.

Standardizing forms and references

Ensuring that school and health officials use current references and forms includes printing and distributing all forms related to the immunization law by the program. If updates are made, they are made by the program and then distributed accordingly. The Montana Immunization Clinic Manual was first developed and distributed to public clinics in 1989. It is the primary reference for the public clinics relating to immunization issues. The manual was developed in a three-ring binder for easy updating. The program provides all updates for the manual as new recommendations, forms, and requirements are made. Updating the manual is an ongoing process.

Base Funding

The Immunization Program is operated through three types of funding:

- 1) Federal Assistance -- An annual federal grant from the Centers for Disease Control (CDC); the grant period is January 1- December 31; the grant supports approximately 80% of personal services, indirect costs and in-state travel, all other operating expenses are funded 100% by the federal grant.
- 2) Direct Assistance (federal DA) -- This is the vaccine award part of the annual federal grant from CDC; no federal funds are received by the program for vaccine purchase, vaccine orders are placed against the DA vaccine account at CDC; vaccine ordered through the DA account can not exceed the dollar amount of the federal grant.
- 3) General Fund -- \$41,294 of general fund support covers the balance of personal services, indirect costs and in-state travel.

The general fund support for the program allows the program to do communicable disease activities. At this time, the only avenue for DPH to meet it's statutory obligations related to communicable disease control is to have immunization program staff do "across-the-board" communicable disease activities. This includes: surveillance, reporting, investigation, and consultation in all areas of communicable disease.

At this time, is no general fund support for vaccine (see discussion in BASE PROGRAM: Vaccine)

Performance Indicators

	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
<u>Vaccine Related</u>				
doses administered	98,900	98,900	98,900	98,900
reports reviewed	2,496	500	500	500
reports entered	1,296	1,296	1,296	1,296
contracts	78	78	78	78
<u>Immunization Manual</u>				
updates sent	3,120	780	780	780
<u>Disease Investigations</u>				
performed*	150	150	150	150
<u>Audits</u>				
schools	45	45	45	45
public clinics				
<u>Reports received</u>				
school	1,030	1,030	1,030	1,030
day-care	95	95	95	95
<u>Documents sent to CDC</u>				
vaccine usage	12	12	12	12
qtrly narr.	4	4	4	4
day-care	1	1	1	1
headstart	1	1	1	1
K-12	1	1	1	1
school enters	1	1	1	1
school audit	1	1	1	1
grant	1	1	1	1
<u>Training Sessions</u>				
performed	9	6	6	6

Forms

distributed 173,779 173,000 173,000 173,000

Consultation hours* 3,420 3,420 3,420 3,420

*This is a variable number. Investigations follow disease reports. In 1987 there were more than 300 disease investigations performed.

SEXUAL ASSAULT SERVICES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Grants								
Total Agency Costs	11,968.00 \$11,968.00	11,968 \$11,968	11,968 \$11,968	0 \$0	11,968 \$11,968	11,968 \$11,968	0 \$0	11,968 \$11,968
Federal Special Revenue Fund								
Total Funding Costs	11,968.00 \$11,968.00	11,968 \$11,968	11,968 \$11,968	0 \$0	11,968 \$11,968	11,968 \$11,968	0 \$0	11,968 \$11,968

Overview

Base Funding

Goals

Sexual Assault Services is funded by the PHHS Block Grant and is a required activity of state agencies that receive PHHS Block Grant funds. The funds are intended for the use of local agencies in their efforts to prevent sexually-related criminal activities and to help treat individuals who are victims of a sexual crime.

Authorization

Part A, Title XIX, PHS Act, as amended.

Base Program

The Sexual Assault Services Program, formerly known as the Rape Crisis Program, provides federal PHHS Block Grant funds to local or community rape intervention and education programs. Local law enforcement and social service agencies cooperate in their efforts to prevent rape through public education and awareness, and in counseling and intervention for rape victims.

The Sexual Assault Services Program is funded from the PHHS Block Grant. The money is passed through the Department for local services.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
<u>Sexual Assault Services</u>				
Requests for proposals (annual)	1	1	1	1
Contract awards - sites	5-10	5-10	5-10	5-10
Reviews (quarterly)	20-40	20-40	20-40	20-40

RENAL

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Operating Expenses	125,000.00	125,000	125,000	0	125,000	125,000	0	125,000
Total Agency Costs	\$125,000.00	\$125,000	\$125,000	\$0	\$125,000	\$125,000	\$0	\$125,000
General Fund	125,000.00	125,000	125,000	0	125,000	125,000	0	125,000
Total Funding Costs	\$125,000.00	\$125,000	\$125,000	\$0	\$125,000	\$125,000	\$0	\$125,000

Overview

The End Stage Renal Disease Program (ESRD) is the special assistance program for individuals suffering from chronic end stage renal disease. Individuals who qualify for assistance must require dialysis or kidney transplantation and attest that the family economic unit will have severe imbalance in obtaining needed services.

Goals

The goals of the ESRD Program are:

- 1) to alleviate to the greatest extent possible the economic imbalance to the family economic unit created by renal disease;
- 2) an extension of state assistance to Montana residents suffering from renal failure; and,
- 3) to maintain a minor provider (co-insurance) economic assistance program.

Authorization

53-6-201-202 MCA.
ARM 16.35.101-113.

Base Program

The End Stage Renal Disease Program is a renal disease medical cost assistance program. All funds are expended directly to or on behalf of eligible claimants.

Base Funding

ESRD is funded from the general fund.

Performance Indicators

	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
<u>ESRD</u>				
Applications/claims	5000	5000	5000	5000
Eligible recipients	600	600	600	600

RABIES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Operating Expenses	34,104.62	54,849	60,020	0	60,020	65,874	0	65,874
Total Agency Costs	34,104.62	54,849	60,020	0	60,020	65,874	0	65,874
State Special Revenue Fund	34,104.62	54,849	60,020	0	60,020	65,874	0	65,874
Total Funding Costs	34,104.62	54,849	60,020	0	60,020	65,874	0	65,874

Overview

MCA 50-1-101 through 206: Department designates diseases as communicable. Department may take action when public health laws are violated. General power and duties include studying conditions affecting citizens. Investigating informing and recommending control of communicable disease. Administer health programs delegated to states (communicable disease control is delegated to states). Adopt and enforce rules regarding the definition, reporting and control of communicable diseases. Enforce quarantine against another governmental unit. Regulation of schools in matter of health.

Goals

A. Prevent human rabies.

1. Provide pre-exposure consultation and vaccine.
2. Provide post-exposure consultation, immune globulin and vaccine.

Authorization

Montana Constitution, Article II, Section 3.: "Inalienable right--to a clean and healthful environment."

MCA 37-2-301: Duty to Report Cases of Communicable Disease.

MCA 2-15-2101 to 2107: Department of Public Health authorization. Organizational Rule--as found in ARM 16.1.101 (5), (iv), which states "gives special attention to control of communicable diseases--because of their public health significance".

MCA 50-2-101 to 50-2-124: DPH designates communicable diseases to be controlled. Power and duties of local boards (monitored by DPH)

MCA 50-23-106: Rabies Control.

Base Program

The Rabies Vaccine Program provides: professional consultation and vaccine (at cost) to persons exposed to rabies.

Base Funding

The Rabies Program is funded 100% by an ear-marked revenue fund.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
1. Provide rabies post-exposure vaccine.	100	100	100	100

LICENSING, CERTIFICATION AND CONSTRUCTION ACTIVITY

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	32.55	32.55	32.55	15.00	47.55	32.55	15.00	47.55
Personal Services	735,420.04	938,250	931,316	486,100	1,417,416	930,529	484,977	1,415,506
Operating Expenses	289,067.64	661,783	674,167	98,506	772,673	678,193	59,054	737,247
Equipment	13,311.13	9,500	9,500	44,000	53,500	9,500	35,000	44,500
Total Agency Costs	\$1,037,798.81	\$1,609,533	\$1,614,983	\$628,606	\$2,243,589	\$1,618,222	\$579,031	\$2,197,253
General Fund	335,361.45	424,056	587,626	-79,350	508,276	588,739	-35,064	553,675
Federal Special Revenue Fund	702,437.36	1,185,477	1,027,357	707,956	1,735,313	1,029,483	614,095	1,643,578
Total Funding Costs	\$1,037,798.81	\$1,609,533	\$1,614,983	\$628,606	\$2,243,589	\$1,618,222	\$579,031	\$2,197,253

Overview

The Licensing Certification and Construction Bureau issues licenses, grants Medicaid Certification, recommends Medicare Certification, and approves new and renovation construction projects for all health care providers.

The bureau is responsible for legal enforcement duties concerning State and Federal laws governing health care facilities.

Goals

1. To assure that all residents or patients receive health care consistent with the requirements of State laws and Federal Conditions of Participation. To foster health care facilities that provide a safe living environment, give quality care that emphasize and recognizes the residents' right to a quality life.
2. To certify that providers enrolled in Medicaid/Medicare programs meet the conditions of participation

contained in the federal CFR's and insure qualified recipients receive the federal funding.

Authorization

Funding for the Medicare and Medicaid Programs is provided for by the Social Security Act. This is an agreement between the Secretary of Health and Human Services and the State of Montana to carry out the provisions of Sections 1864, 1874, and related provisions of the Social Security Act, as amended.

Montana Code Annotated Title 50 Chapter 5 provides for the survey and licensure to operate a State health facility and review and approval of plans and specifications for construction or alteration of a health care facility.

Base Program

State Licensure

The Bureau conducts licensure surveys of Health Care Facilities annually as defined by MCA Title 50 Chapter 5 to determine compliance with state licensure laws. Based on survey findings the Bureau issues annual licenses to providers to operate a Health Care Facility. The Bureau is responsible for writing and publishing administrative rules for health care programs.

The Bureau is responsible for reviewing, approving, and conducting final inspections of all renovation or new construction of Health Care Facilities.

Certification

The functions which the Bureau performs under the section 1864 agreement are referred to collectively as the certification process. These include:

- a. Identifying and assisting new and potential providers;
- b. Conducting complaint investigations, Certification, and Recertification, and follow-up surveys annually to determine how well the facilities are complying with the Conditions of Participation for Medicaid and Medicare. The Bureau makes recommendations to the regional office regarding participation of dually certified facilities (Medicaid/Medicare) grants and provide binding determinations for Medicaid only facilities to the State Medicaid agencies;
- c. Furnishing Consultative Services - The Bureau advises providers and potential providers to enable them to qualify for participation in the programs and maintain standards of health care consistent with the

Conditions of Participation;

- d. Participating in Validation Surveys of Accredited Hospitals - These surveys furnish to DPH and to Congress a monitoring of the validity of "deeming" that accredited hospitals meet the Conditions of Participation;
- e. Proficiency testing - The Bureau monitors programs of proficiency testing in laboratories, and contribute laboratory compliance findings to be used in Federal licensing of laboratories under the Clinical Laboratories Improvement Act of 1967;
- f. Conducts Fire Life Safety surveys and Fire Safety Evaluations for Medicare and Medicaid providers.

OBRA 87

OBRA legislation was to be implemented in July 1, 1989. Implementation was delayed until January 1, 1990, and again delayed until October 1, 1990. The Bureau implemented the OBRA requirement for Nurse Aide Training and Testing on July 1, 1989. This program includes, program administration and development, administrative review and approval of facility and non-facility based training programs, certification of qualified nurse aides, operation of the nurse aide registry and abuse registry, on-site review of facility and non-facility training programs and conducts survey program to verify competency of certified nurse aides.

The OBRA provisions which were implemented on October 1, 1990 include: The New Long Term Care Certification Survey process. The New Survey is designed to be resident focused and outcome oriented. The methodology of the New Survey Process has dramatically increased the number of staff and staff hours needed to complete the survey.

Included in the New Survey are several new components: The Minimum Data Set (MDS). The MDS provides a comprehensive assessment of all Long Term Care Residents. Expanded residents' rights regulations, individual and group interviews, expanded hours for observation of sample residents, and extended surveys. Nurse aide abuse complaint investigation and fair hearings are included.

There are several technical amendments to the Nurse Aide Training and Testing regulation. The major change includes the requirement for a written and skills evaluation test. These tests will be given to all nurse aides wishing to meet the requirements for nurse aide competency.

Enforcement is to be implemented in FY 91. Final regulations have not been shared with the state agencies. Draft regulations indicate that additional staff will be needed to meet the expanded duties of the state agency. The Bureau did not include any budget forecast or numbers of additional FTEs in the FY 92-93 increase to the base request for enforcement activities.

Base Funding

Base funding is derived from three fund sources. Because of the mix of activities, the program has been for budget estimates, funded 30% in FY 92 and 32% in FY 93 by state general fund, 42% federal Medicare, federal Medicaid 28% in FY 92 and 26% in FY 93. Historically Medicare and Medicaid grants are budget estimates and actual Medicaid and Medicare survey expenditures constitute the final grant amount in any given fiscal year. Medicaid funds require a 15% state match rate in FFY 92 and a 20% state match rate in FFY 93.

State licensure activities are funded with general fund. Fees received from licensure activities are deposited in the general fund.

Performance Indicators

	FY90 <u>Schedule</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
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INITIAL VISITS

Skilled Nursing Facility	1	2	2	2
Institution for Mentally Retarded	0	0	0	0
Non-accredited Hospital	0	0	0	0
Home Health Agency	5	6	6	7
End Stage Renal Disease	1	1	1	1
Independent Laboratory	1	1	2	2
Physical Therpay Independent Practice	3	3	3	3
Outpatient Physical Therapy	2	2	2	2
Rural Health Clinics	1	1	1	1
Ambulatory Surgical Center	3	2	3	3
Hospice	4	4	4	4
Swing Beds	5	5	5	5
Excluded Units	1	1	1	1

RESURVEY VISITS

Skilled Nursing Facility	99	100	105	110
Institution for Mentally Retarded	3	3	3	3
Non-accredited Hospital	43	43	43	43
Home Health Agency	44	49	50	51
End Stage Renal Disease	6	7	8	9
Independent Laboratory	8	9	159	200
Physical Therpay Independent Practice	21	6	9	12
Outpatient Physical Therapy	5	7	9	11
Rural Health Clinics	1	2	2	2
Ambulatory Surgical Center	9	12	15	18

DEPARTMENT OF PUBLIC HEALTH

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LICENSING, CERTIFICATION AND CONSTRUCTION ACTIVITY

Hospice	4	8	12	16
Swing Beds	37	42	47	52
Excluded Units	7	0	0	0
CLIA (2 hosp & 3 Ind. Lab)	5	0	0	0
FOLLOW-UP VISITS				
All Categories	234	250	275	300
COMPLAINT VISITS				
All Categories	150	150	150	150
OBRA				
Nursing Home Nurse Aide Training	99	100	105	110
Home Health Aide Training	44	49	50	51
LICENSE ONLY				
Licensure	90	91	92	93
Personal Care Homes	22	25	29	32
Adult Day Care	19	25	29	32
Mental Health	8	8	8	8
Chemical Dependency	8	8	8	8
Hospice	16	20	22	36
Medical Assistant Facilities	0	4	4	4

Increases/Decreases from Base

OBRA Expansion

New Federal legislation (OBRA 89); Title 18 Medicare and Title 19 Medicaid nursing home and health reform regulations were implemented by the federal government on October 1, 1990.

OBRA long-term care and home health regulations greatly expand the Medicaid/Medicare survey and certification programs operated by the Bureau and the requested 15 FTEs are needed to meet these expanded program requirements.

The major additions and new services included in the reform act are:

- a. A new survey process and methodology.
- b. A multi-disciplinary team concept.
- c. New survey forms.
- d. Expanded components for resident rights, quality of life, resident assessment, environmental quality, and quality of care assessments.
- e. Standard and extended surveys.
- f. Quality assurance review.
- g. New and expanded certification process.
- h. New survey and certification data entry and data extraction programs.

The new survey is resident focused and determines negative or positive resident outcome. The surveyor observes and interviews residents and facility staff, probes and investigates to determine the quality of life of nursing home residents.

The reform act establishes nurse aide training and competency testing, nurse aide registry and patient abuse registry, and a nurse aide abuse investigative unit. The unit will be responsible for investigation and hearings on allegations of patient abuse. The act also establishes a provider information unit for centralized information dissemination.

ENVIRONMENTAL DIVISION ADMINISTRATION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	3.00	3.00	.00	.00	.00	.00	.00	.00
Personal Services	111,322.69	116,958	0	0	0	0	0	0
Operating Expenses	24,868.90	122,783	0	0	0	0	0	0
Total Agency Costs	\$136,191.59	\$239,741	\$0	\$0	\$0	\$0	\$0	\$0
General Fund	73,125.20	76,399	0	0	0	0	0	0
State Special Revenue Fund	63,066.39	163,342	0	0	0	0	0	0
Total Funding Costs	\$136,191.59	\$239,741	\$0	\$0	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

AIR QUALITY

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993		Recommended
			Base	Incr/Decr	Base	Incr/Decr	
Full Time Equivalent Employees	19.53	19.53	.00	.00	.00	.00	.00
Personal Services	587,150.98	637,741	0	0	0	0	0
Operating Expenses	310,111.83	341,211	0	0	0	0	0
Equipment	23,400.75	26,300	0	0	0	0	0
Grants	102,586.00	102,586	0	0	0	0	0
Total Agency Costs	\$1,023,249.56	\$1,107,838	\$0	\$0	\$0	\$0	\$0
General Fund	344,770.84	405,301	0	0	0	0	0
State Special Revenue Fund	18,495.76	21,665	0	0	0	0	0
Federal Special Revenue Fund	659,982.96	680,872	0	0	0	0	0
Total Funding Costs	\$1,023,249.56	\$1,107,838	\$0	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

ENVIRONMENTAL QUALITY PROTECTION FUND

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Personal Services	24,219.86	0	0	0	0	0	0	0
Operating Expenses	952,445.30	1,000,000	0	0	0	0	0	0
Equipment	114.31	0	0	0	0	0	0	0
Total Agency Costs	\$976,779.47	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0
State Special Revenue Fund	976,779.47	1,000,000	0	0	0	0	0	0
Total Funding Costs	\$976,779.47	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

SOLID AND HAZARDOUS WASTE PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	52.00	53.01	.00	.00	.00	.00	.00	.00
Personal Services	1,193,412.58	1,524,692	0	0	0	0	0	0
Operating Expenses	2,215,382.50	7,625,575	0	0	0	0	0	0
Equipment	49,734.25	79,085	0	0	0	0	0	0
Grants	783,099.00	1,087,142	0	0	0	0	0	0
Total Agency Costs	<u>\$4,241,628.33</u>	<u>\$10,316,494</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund	147,212.54	195,269	0	0	0	0	0	0
State Special Revenue Fund	1,748,413.83	2,618,081	0	0	0	0	0	0
Federal Special Revenue Fund	2,346,001.96	7,503,144	0	0	0	0	0	0
Total Funding Costs	<u>\$4,241,628.33</u>	<u>\$10,316,494</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

SUPERFUND

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	14.00	14.00	.00	.00	.00	.00	.00	.00
Personal Services	387,397.62	402,525	0	0	0	0	0	0
Operating Expenses	1,047,391.10	5,804,751	0	0	0	0	0	0
Equipment	1,385.49	44,190	0	0	0	0	0	0
Total Agency Costs	\$1,436,174.21	\$6,251,466	\$0	\$0	\$0	\$0	\$0	\$0
State Special Revenue Fund	9,755.45	24,762	0	0	0	0	0	0
Federal Special Revenue Fund	1,426,418.76	6,226,704	0	0	0	0	0	0
Total Funding Costs	\$1,436,174.21	\$6,251,466	\$0	\$0	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

STATE SUPERFUND

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	1.50	1.50	.00	.00	.00	.00
Personal Services	40,616.39	41,849	0	0	0	0
Operating Expenses	145,809.97	212,879	0	0	0	0
Equipment	1,327.61	0	0	0	0	0
Total Agency Costs	\$187,753.97	\$254,728	\$0	\$0	\$0	\$0
State Special Revenue Fund	187,753.97	254,728	0	0	0	0
Total Funding Costs	\$187,753.97	\$254,728	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

UNDERGROUND STORAGE TANKS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	16.00	17.00	.00	.00	.00	.00	.00	.00
Personal Services	321,819.69	464,346	0	0	0	0	0	0
Operating Expenses	486,294.66	793,908	0	0	0	0	0	0
Equipment	18,425.64	26,795	0	0	0	0	0	0
Grants	0.00	262,604	0	0	0	0	0	0
Total Agency Costs	\$826,539.99	\$1,547,653	\$0	\$0	\$0	\$0	\$0	\$0
State Special Revenue Fund	227,707.78	691,814	0	0	0	0	0	0
Federal Special Revenue Fund	598,832.21	855,839	0	0	0	0	0	0
Total Funding Costs	\$826,539.99	\$1,547,653	\$0	\$0	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

SOLID WASTE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	5.08	5.09	.00	.00	.00	.00	.00	.00
Personal Services	63,054.06	152,250	0	0	0	0	0	0
Operating Expenses	83,689.33	121,559	0	0	0	0	0	0
Equipment	469.15	3,500	0	0	0	0	0	0
Total Agency Costs	\$147,212.54	\$277,309	\$0	\$0	\$0	\$0	\$0	\$0
General Fund	147,212.54	195,269	0	0	0	0	0	0
State Special Revenue Fund	0.00	82,040	0	0	0	0	0	0
Total Funding Costs	\$147,212.54	\$277,309	\$0	\$0	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

JUNK VEHICLE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	4.60	4.60	.00	.00	.00	.00	.00	.00
Personal Services	94,660.70	138,877	0	0	0	0	0	0
Operating Expenses	35,102.61	67,365	0	0	0	0	0	0
Equipment	571.35	0	0	0	0	0	0	0
Grants	783,099.00	824,538	0	0	0	0	0	0
Total Agency Costs	\$913,433.66	\$1,030,780	\$0	\$0	\$0	\$0	\$0	\$0
State Special Revenue Fund	913,433.66	1,030,780	0	0	0	0	0	0
Total Funding Costs	\$913,433.66	\$1,030,780	\$0	\$0	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

HAZARDOUS WASTE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	10.82	10.82	.00	.00	.00	.00	.00	.00
Personal Services	253,642.54	324,845	0	0	0	0	0	0
Operating Expenses	146,465.28	225,113	0	0	0	0	0	0
Equipment	27,555.01	4,600	0	0	0	0	0	0
Total Agency Costs	\$427,662.83	\$554,558	\$0	\$0	\$0	\$0	\$0	\$0
State Special Revenue Fund	106,911.84	133,957	0	0	0	0	0	0
Federal Special Revenue Fund	320,750.99	420,601	0	0	0	0	0	0
Total Funding Costs	\$427,662.83	\$554,558	\$0	\$0	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

BN/ARCO SPECIAL PROJECT

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Personal Services	32,221.58	0	0	0	0	0
Operating Expenses	270,629.55	400,000	0	0	0	0
Total Agency Costs	\$302,851.13	\$400,000	\$0	\$0	\$0	\$0
State Special Revenue Fund	302,851.13	400,000	0	0	0	0
Total Funding Costs	\$302,851.13	\$400,000	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

PROGRAM 05 - WATER QUALITY BUREAU

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	45.25	45.25	.00	.00	.00	.00	.00	.00
Personal Services	1,271,531.89	1,450,984	0	0	0	0	0	0
Operating Expenses	833,492.20	1,055,773	0	0	0	0	0	0
Equipment	20,072.00	9,610	0	0	0	0	0	0
Grants	80,352.00	245,970	0	0	0	0	0	0
Total Agency Costs	\$2,205,448.09	\$2,762,337	\$0	\$0	\$0	\$0	\$0	\$0
General Fund	126,653.35	191,308	0	0	0	0	0	0
State Special Revenue Fund	416,925.62	444,138	0	0	0	0	0	0
Federal Special Revenue Fund	1,661,869.12	2,126,891	0	0	0	0	0	0
Total Funding Costs	\$2,205,448.09	\$2,762,337	\$0	\$0	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

SAFE DRINKING WATER

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993		Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
			Base	Incr/Decr	Base	Incr/Decr				
Full Time Equivalent Employees	13.80	13.80	.00	.00	.00	.00	.00	.00	.00	.00
Personal Services	398,497.93	443,666	0	0	0	0	0	0	0	0
Operating Expenses	243,405.96	373,793	0	0	0	0	0	0	0	0
Equipment	16,335.25	2,410	0	0	0	0	0	0	0	0
Grants	57,584.00	95,970	0	0	0	0	0	0	0	0
Total Agency Costs	\$715,823.14	\$915,839	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Fund	126,653.35	176,341	0	0	0	0	0	0	0	0
State Special Revenue Fund	157,759.47	165,757	0	0	0	0	0	0	0	0
Federal Special Revenue Fund	431,410.32	573,741	0	0	0	0	0	0	0	0
Total Funding Costs	\$715,823.14	\$915,839	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

WATER QUALITY MANAGEMENT

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	5.85	5.85	.00	.00	.00	.00	.00	.00
Personal Services	171,807.73	182,962	0	0	0	0	0	0
Operating Expenses	212,928.45	228,108	0	0	0	0	0	0
Equipment	1,029.00	2,000	0	0	0	0	0	0
Total Agency Costs	\$385,765.18	\$413,070	\$0	\$0	\$0	\$0	\$0	\$0
State Special Revenue Fund	175,984.60	189,548	0	0	0	0	0	0
Federal Special Revenue Fund	209,780.58	223,522	0	0	0	0	0	0
Total Funding Costs	\$385,765.18	\$413,070	\$0	\$0	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

GROUNDWATER

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	2.00	2.00	.00	.00	.00	.00
Personal Services	58,182.65	66,295	0	0	0	0
Operating Expenses	43,054.53	54,769	0	0	0	0
Total Agency Costs	\$101,237.18	\$121,064	\$0	\$0	\$0	\$0
General Fund	0.00	14,967	0	0	0	0
Federal Special Revenue Fund	101,237.18	106,097	0	0	0	0
Total Funding Costs	\$101,237.18	\$121,064	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

MUNICIPAL WASTEWATER ASSISTANCE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	9.80	9.80	.00	.00	.00	.00
Personal Services	220,249.97	296,857	0	0	0	0
Operating Expenses	96,760.92	164,711	0	0	0	0
Equipment	1,470.25	3,200	0	0	0	0
Grants	22,768.00	150,000	0	0	0	0
Total Agency Costs	\$341,249.14	\$614,768	\$0	\$0	\$0	\$0
Federal Special Revenue Fund	341,249.14	614,768	0	0	0	0
Total Funding Costs	\$341,249.14	\$614,768	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

WATER POLLUTION CONTROL

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	8.30	8.30	.00	.00	.00	.00	.00	.00
Personal Services	240,716.05	273,098	0	0	0	0	0	0
Operating Expenses	149,049.88	144,864	0	0	0	0	0	0
Equipment	208.50	0	0	0	0	0	0	0
Total Agency Costs	\$389,974.43	\$417,962	\$0	\$0	\$0	\$0	\$0	\$0
State Special Revenue Fund	83,181.55	88,833	0	0	0	0	0	0
Federal Special Revenue Fund	306,792.88	329,129	0	0	0	0	0	0
Total Funding Costs	\$389,974.43	\$417,962	\$0	\$0	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

WATER DISCHARGE PERMITS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993		Recommended
			Base	Incr/Decr	Base	Incr/Decr	
Full Time Equivalent Employees	3.50	3.50	.00	.00	.00	.00	.00
Personal Services	128,730.81	132,804	0	0	0	0	0
Operating Expenses	45,755.77	45,407	0	0	0	0	0
Equipment	1,029.00	2,000	0	0	0	0	0
Total Agency Costs	\$175,515.58	\$180,211	\$0	\$0	\$0	\$0	\$0
Federal Special Revenue Fund	175,515.58	180,211	0	0	0	0	0
Total Funding Costs	\$175,515.58	\$180,211	\$0	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

NONPOINT SOURCE POLLUTION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	2.00	2.00	.00	.00	.00	.00	.00	.00
Personal Services	53,346.75	55,302	0	0	0	0	0	0
Operating Expenses	42,536.69	44,121	0	0	0	0	0	0
Total Agency Costs	\$95,883.44	\$99,423	\$0	\$0	\$0	\$0	\$0	\$0
Federal Special Revenue Fund	95,883.44	99,423	0	0	0	0	0	0
Total Funding Costs	\$95,883.44	\$99,423	\$0	\$0	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

PETROLEUM MARKETING BOARD

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	12.50	12.00	.00	.00	.00	.00
Personal Services	86,454.00	328,299	0	0	0	0
Operating Expenses	82,405.91	232,200	0	0	0	0
Equipment	4,762.32	21,000	0	0	0	0
Benefits and Claims	703,653.28	3,818,501	0	0	0	0
Total Agency Costs	\$877,275.51	\$4,400,000	\$0	\$0	\$0	\$0
State Special Revenue Fund	877,275.51	4,400,000	0	0	0	0
Total Funding Costs	\$877,275.51	\$4,400,000	\$0	\$0	\$0	\$0

Description

This program has been transferred to the Department of Natural Resources and Environment (DNRE) as recommended in the executive reorganization proposed by the Governor.

PERFORMANCE INDICATORS

o Goal A: Enhance the ability of state and local governments to respond to catastrophic disasters occurring anywhere within the state.

1. Automate State and local Emergency Operations Centers to expedite the exchange,

analysis, retrieval, and display of critical information for senior elected officials and emergency management decision makers.

a. Install Emergency Information System (EIS) hardware and software in State EOC.

b. Train State DES personnel on operational aspects of EIS.

c. Develop and update State Resource Data Base using EIS automated format.

d. Develop EIS Standards Manual for the State of Montana.

2. Enhance the ability of Montana to respond to catastrophic medical emergencies by encouraging state participation in the National Disaster Medical System.

a. Contact major medical centers throughout the state to recruit a Montana NDMS coordinator.

b. Sponsor briefing by NDMS national staff with Montana health care providers.

3. Develop a comprehensive hazardous materials response program which standardizes training and clearly assigns agency responsibilities for responding to HAZMAT incidents.

4. Implement the Incident Command System in all jurisdictions throughout Montana.

a. Provide training (one course per year on a four year cycle) on Incident Command System/ Emergency Operations Center.

b. Incorporate ICS requirement into State EOP.

FY90 ACTUAL	FY91 ENACT.	FY92 BASE	FY93 BASE
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o Goal C: Optimize the contributions of government, industry, and private organizations to state and local preparedness.

1. Develop an all-hazards State Emergency Operations Plan (EOP).					
a. Establish a Governor's Advisory Council on Disaster Preparedness (business).	-	1	-	-	-
b. Establish Voluntary Agency Task Force (eleemosynary institutions).	-	-	1	-	-
2. Assist in the development and/or update of local emergency operating plans.	14	14	14	14	14
3. Provide qualitative review of local emergency operating plans and programs in accordance with state and federal criteria.					
a. Review local government emergency operations plans.	14	14	14	14	14
b. Review hazardous materials plans.	14	14	14	14	14
c. Update hazard inventory capability assessment and multi -year development program.	56	56	56	56	56
4. Develop and/or update internal and external agreements and plans to maximize the state and local governments ability to respond to disasters.					
a. Update State Administrative Plan (Federal requirement of funding for both state and local government).	1	1	1	1	1
b. Develop statement of work format to be completed by local government to qualify for federal funding.	1	1	1	1	1
c. Review Memorandum of Understanding (MOU) with Malmstrom AFB.	1	1	1	1	1
d. Develop and negotiate the annual Comprehensive Cooperative Agreement with the Federal Emergency Management Agency.					
5. More fully integrate Radio Amateur Civil Emergency Service (RACES) into state plans, training, and operations.					

o Goal D: Enhance the ability of the State of Montana to alleviate suffering and hardship from emergencies of major disasters declared by the President and/or the Governor.

1. Upgrade the disaster assistance program in accordance with P.L. 100-107 (Stafford Act).

a. Revise State Administrative Plan for Individual and Family Grant Program (IFGP).	1	1	1	1	1
b. Revise Hazard Mitigation Grant Program (HMGP) Administrative Plan.	1	1	1	1	1
c. Revise Public Assistance Administrative Plan.	1	1	1	1	1
2. Equitably award hazard mitigation grants within the state.					
a. Establish and update Hazard Mitigation Advisory Council.	-	1	1	1	1

o Goal E: Provide state-wide leadership in earthquake preparedness and mitigation.

1. Develop and implement an effective earthquake mitigation program encouraging public education and earthquake engineered building codes.

a. Propose legislative initiatives for the adoption of Uniform Building codes.	-	1	-	-	-
b. Propose legislation mandating earthquake drills in all Montana elementary and secondary schools.	-	1	-	-	-
c. Coordinate workshops and training for state earth science teachers using FEMA sponsored "Tremor Troop" curriculum, and provide support for local school districts.	-	3	3	3	3

2. Develop the ability to cope with major collapsed structures (e.g., earthquake damage).

a. Sponsor a Heavy Urban Rescue Team within the Rocky Mountain Task Force.	-	1	1	1	1
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o Goal F: Enhance employee productivity and effectiveness.

1. Establish Staff Training and Employee Development Program (STED).

a. Develop model training program for DES Employees.

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b. Establish individual employee training files.

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2. Maintain Staff Training and Employee Development program (STED).

a. Schedule and update individual training requirements semi-annually.

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b. Update organizational (internal) training requirements.

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EMERGENCY MANAGEMENT DEVELOPMENT PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr Recommended	Base	Incr/Decr Recommended
Full Time Equivalent Employees	8,00	8,00	8,00	.00	8,00	.00
Personal Services	200,441.70	224,382	224,050	510	223,803	510
Operating Expenses	40,641.40	51,140	50,936	-1,299	50,921	-1,304
Equipment	595.11	0	0	0	0	0
Total Agency Costs	\$241,678.21	\$275,522	\$274,986	\$-789	\$274,724	\$-794
Federal Special Revenue Fund	241,678.21	275,522	274,986	-789	274,724	-794
Total Funding Costs	\$241,678.21	\$275,522	\$274,986	\$-789	\$274,724	\$-794

Overview - Emergency Management Development Program

The Emergency Management Development Program supplements the Disaster Coordination and Response Program in preparing and updating local and state Emergency Preparedness Plans. In addition to planning preparedness, technical support is given for: a) surveying facilities for use in sheltering of evacuees; b) training in the fields of hazardous materials, radiological monitoring, emergency management and exercise design; and c) maintenance of radiological instruments to include their distribution throughout the state.

Goals

- o Enhance the ability of state and local government to respond to catastrophic disasters occurring anywhere within the state.
- o Ensure the continuation of uninterrupted, legitimate leadership at both the state and local levels in the event of a catastrophic disaster.
- o Optimize the contributions of government, industry, and private organizations to state and local preparedness.

Authorization

In addition to the requirements of Title 10, Montana Code Annotated, the following federal statutes mandate the activities of the Division:

Federal Civil Defense Act of 1950, as amended, 50 USC App. 2251 et seq., prepares national plans and programs for civil defense, including measures designed to protect life and property from the effects of nuclear attack and natural disasters; develops communications and dissemination of warnings; supports the program via materials, facilities, financial contributions, and other assistance to the states, dissemination of public information, and training.

o Enhance the ability of state and local government to respond to hazardous materials incidents involving radioactive materials.

Base Program

The Emergency Management Development Program is responsible for state and local plans, systems and capabilities necessary to minimize the effects of radiological and technological hazards, as well as nuclear attack, on the population.

The following elements are included within the scope of this program:

The Population Protection Planning (PPP) provides a means to protect people from the full spectrum of hazards (nuclear, technological, and natural) that their jurisdictions face. It focuses on the development of a single multithazard Emergency Operations Plan (EOP) for each jurisdiction. The EOP addresses direction and control, warning, communications, evacuation, shelter, emergency support services, emergency public information, resource management, and other critical emergency management functions. The EOP features evacuation and in-place protection as the two basic protective measures for protecting people from the hazards their jurisdictions face.

The Facility Surveys (FS) element produces architectural/engineering surveys of buildings indicating their suitability for population protection against disasters.

The Radiological Protection Planning and Development (RPP&D) element encompasses three tasks: save lives and minimize radiation injury to people and damage to the resources that result from any radiological incident/accident; provide support, including knowledge and information on the radiological situation in response to radiological emergencies; provide support for facilitating recovery efforts in a radiological environment.

The Radiological Instrumentation Maintenance and Calibration (RIM&C) element manages the existing inventory of radiological instruments to ensure their operational readiness through the inspection, maintenance, and calibration of civil defense radiological instruments in conformance with technical guidance provided by the Federal Emergency Management Agency.

The Emergency Management Training (EMT) element serves and enhances a training management and delivery network for Federal/State/local/private/volunteer sector emergency program managers, and to provide training to other personnel, who are impacted by comprehensive

DEPARTMENT OF MILITARY AFFAIRS

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EMERGENCY MANAGEMENT DEVELOPMENT PROGRAM

emergency management and Integrated Emergency Management System (IEMS) functions to enable them to respond to emergency management events and policies quickly and efficiently.

Objectives

The objectives of the Emergency Management Development Program are numerically listed in the "Performance Indicators" section.

Base Funding

The Emergency Management Development Program is funded 100% by federal grants. This funding is received from the Federal Emergency Management Agency (FEMA) and involves five distinct federal programs. Each federal source stands alone and is allocated to the division based upon an established work effort as negotiated with FEMA on a federal fiscal year basis through the means of a Comprehensive Cooperative Agreement.

The five federal funding sources involve:

- a) Radiological Defense Planning and Development (RDP&D)
- b) Radiological Instrumentation Maintenance and Calibration (RIM&C)
- c) Population Protection Planning (PPP)
- d) Facility Survey (FS)
- e) Emergency Management Training (EMT)

Performance Indicators

	FY'90		FY'91		FY'92		FY'93	
	ACTUAL	ENACTED	BASE	BASE	BASE	BASE	BASE	BASE
o Goal A: Enhance the ability of state and local governments to respond to catastrophic disasters occurring anywhere within the state.								
1. Automate State and local Emergency Operations Centers to expedite the exchange, analysis, retrieval, and display of critical information for senior elected officials and emergency management decision makers.								
a. Install Emergency Information System (EIS) hardware and software in State EOC.	1	1	-	-	-	-	-	-
b. Train State DES personnel on operational aspects of EIS.	1	1	1	1	1	1	1	1
c. Develop and update State Resource Data Base using EIS automated format.	1	1	1	1	1	1	1	1
d. Develop EIS Standards Manual for the State of Montana.	-	-	1	1	1	1	1	1
2. Enhance the ability of Montana to respond to catastrophic medical emergencies by encouraging state participation in the National Disaster Medical System.								
a. Contact major medical centers throughout the state to recruit a Montana NDMS coordinator.	-	1	-	-	-	-	-	-
b. Sponsor briefing by NDMS national staff with Montana health care providers.	-	1	-	-	-	-	-	-
3. Develop a comprehensive hazardous materials response program which standardizes training and clearly assigns agency responsibilities for responding to HAZMAT incidents.	1	1	-	-	-	-	-	-
4. Implement the Incident Command System in all jurisdictions throughout Montana.								
a. Provide training (one course per year on a four year cycle) on Incident Command System/ Emergency Operations Center.	1	1	1	1	1	1	1	1
b. Incorporate ICS requirement into State EOP.	-	1	-	-	-	-	-	-
5. Conduct Public Officials Conferences for local, state, and federal officials on disaster preparedness.								

a. Conduct Governor's Conference on Disaster Preparedness for Elected Officials (annual).	1	1	1	1	1
b. Conduct semi-annual Emergency Management Workshop.	2	2	2	2	2
6. Sponsor and conduct Emergency Management courses for local, state federal, and private sector management level personnel (20 students per course).					
a. Emergency management professional development series courses.	2	3	3	3	3
b. Emergency management specific courses.	1	1	1	1	1
7. Provide timely, pertinent disaster preparedness information to local governments and state agencies.					
a. Publish annual training brochure.	1	1	1	1	1
b. Publish emergency management newsletter.	6	6	6	6	6
o Goal B: Ensure the continuation of uninterrupted, legitimate leader-ship at both the state and local levels in the event of a catastrophic disaster.					
1. Develop a Survivable Crisis Management Program at both state and local levels.					
a. Draft continuity of government legislation specifying devolution and predelegation of authority.	-	1	-	-	-
b. Develop a Mobile Alternate Emergency Operations Center (EOC).	-	1	-	-	1
c. Survey sites capable of serving as the Alternate State EOC.	1	1	1	1	1
2. Improve the security, safety, and survivability of the State EOC.					
a. Install security doors	-	1	-	-	-
b. Install emergency lighting.	-	1	-	-	-
c. Modify emergency generator for cold weather.	-	1	-	-	-

a. Goal C: Optimize the contributions of government, industry, and private organizations to state and local preparedness.

1. Develop an all-hazards State Emergency Operations Plan (EOP).

a. Establish a Governor's Advisory Council on Disaster Preparedness (business).

b. Establish Voluntary Agency Task Force (eleemosynary institutions).

2. Assist in the develop and/or update of local emergency operating plans.

3. Provide qualitative review of local emergency operating plans and programs in accordance with state and federal criteria.

a. Review local government emergency operations plans.

b. Review hazardous materials plans.

c. Update hazard inventory capability assessment and multi-year development program.

4. Develop and/or update internal and external agreements and plans to maximize the state and local governments ability to respond to disasters.

a. Update State Administrative Plan (Federal requirement for funding for both state and local government).

b. Develop statement of work format to be completed by local government to qualify for federal funding.

c. Review Memorandum of Understanding (MOU) with Malmstrom AFB.

d. Develop and negotiate the annual Comprehensive Cooperative Agreement with the Federal Emergency Management Agency.

5. More fully integrate Radio Amateur Civil Emergency Service (RACES) into state plans, training, and operations.

6. Provide for professional review of buildings to be used as shelters or EOCs in the event of a disaster.

a. National Facilities Survey.	100	100	100	100
b. Reception and care.	300	300	300	300
c. Technical assistance to EOC's.	2	2	2	2

o Goal D: Enhance the ability of state and local government to respond to hazardous materials incidents involving radioactive materials.

1. Provide radiological response training.

a. Conduct 8-hour Radiological Monitoring classes per year.	6	6	6	6
b. Conduct Radiological Response Team Course.	1	1	1	1
c. Conduct Radiological Monitor Instructor Course.	1	1	1	1
d. Conduct leak tests and inventories of the radioactive materials training source sets.	1	1	1	1
e. Participate in development and conduct of exercises involving radio- active materials.	1	1	1	1

2. Ensure the operational readiness of civil defense instruments.

a. Exchange radiological instruments based on a four-year exchange cycle.	13	14	14	14
b. Repair radiological instruments.	191	170	180	190
c. Calibrate radiological instruments.	2780	2000	2400	2700

3. Upgrade the Radiological Defense system.

a. Local radiological response plans/annex.	14	14	14	14
b. State radiological annex.	1	1	1	1
c. RIM&C plan of operation.	1	1	1	1
d. State RADEF Management Plan.	1	1	1	1

LOCAL REIMBURSEMENT - DES

	Fiscal 1990		Fiscal 1991		Fiscal 1992		Fiscal 1993	
	Actual		Appropriated		Base	Incr/Decr Recommended	Base	Incr/Decr Recommended
Full Time Equivalent Employees	.00		.00		.00	.00	.00	.00
Grants	763,180.64		2,000,000		2,000,000	-1,000,000	2,000,000	-1,000,000
Total Agency Costs	\$763,180.64		\$2,000,000		\$2,000,000	\$-1,000,000	\$2,000,000	\$-1,000,000
Federal Special Revenue Fund	763,180.64		2,000,000		2,000,000	-1,000,000	2,000,000	-1,000,000
Total Funding Costs	\$763,180.64		\$2,000,000		\$2,000,000	\$-1,000,000	\$2,000,000	\$-1,000,000

- o Conduct the activities of the Disaster and Emergency Services Division in accordance with state statutes, legislative guidance, federal rules and regulations, and sound management principles.

Authorization

In addition to the requirements of Title 10, Montana Code Annotated, the following federal statutes mandate the activities of the Division:

Disaster Relief Act of 1974, 42 USC 5121, et seq., provides a system of grants to give Federal financial assistance and enhance planning, preparedness, and mitigation.

P.L. 93-288, as amended by P.L. 100-707, 42 USC 5121 et seq., authorizes disaster assistance to individuals and to State and local governments following Presidentially declared emergencies and major disasters.

Earthquake Hazards Reduction Act of 1977, as amended, 41 USC 7701 et seq., enhances planning, preparedness, and research with respect to catastrophic earthquakes.

Emergency Planning and Community Right to Know Act of 1986, as amended, 42 USC 11001 et seq (SARA Title III), enhances emergency response to accidental release of toxic substances.

Federal Civil Defense Act of 1950, as amended, 50 USC App. 2251 et seq.,

Overview - Local Reimbursement Program

The Local Reimbursement - DES Program is utilized to receive, record and disburse federal funds to eligible government entities, and in varied instances to individuals. Federal programs include, but are not limited to Emergency Management Assistance, Emergency Operating Center Construction and Furnishing, Communications and Warning Equipment, Supporting Materials, Emergency Management Training, and Disaster Recovery. All programs with the exception of Emergency Management Training and Disaster Recovery are matched by the receiving government entity.

Goals

As the funding vehicle for direct federal support to local jurisdictions, the programmatic goals of the local reimbursement program are essentially the same as those of the Disaster Coordination and Response and the Emergency Management and Development Programs.

However, the fiscal management goals of this program include the following:

- o Ensure that financial disaster assistance is provided to applicants in a timely manner in the event of a declared disaster.
- o Ensure that legitimate expenses incurred by local government, and individuals, in support of disaster preparedness are reimbursed in a timely manner.

prepares national plans and programs for civil defense, including measures designed to protect life and property from the effects of attack and natural disasters; develops communications and dissemination of warnings; supports the program via materials, facilities, financial contributions, and other assistance to the States, dissemination of public information, and training.

Base Program

The Local Reimbursement - DES Program is driven by the amount of and the purpose for the federal funding received. It provides financial assistance in the development, implementation and maintenance of emergency communications, alert and warning systems, and command and control systems and facilities for state and local government to include Emergency Operating Centers.

It further provides the financial resources for the training of federal, state and local officials, and the public to meet the responsibilities and challenges of emergencies through planning, mitigation, preparedness, response and recovery; and based upon plans prepared by the state and local government, provides the necessary financial backing to test such plans as their capabilities.

In addition, this program is utilized, based upon Federally Declared disasters, to advance federal funds or reimbursement of federal funds, to affected government entities for damage suffered under the Federal Disaster Public Assistance Program. This program also provides federal funds to alleviate the possible suffering of, or financial losses incurred by, members of the populace under the Federal Individual Family Grant Program.

All transactions involving this program are performed by staff personnel assigned the Disaster Coordination and Response Program.

The objectives for this program are:

- In the event of a disaster process all authorized payments to applicants within three calendar days of receipt.
- Process all routine requests for reimbursement to local government (i.e., non-disaster) within ten working days of receipt.
- Process student travel reimbursement requests within two working days of receipt.

- Receive no significant findings during the biennial audit by the Legislative Auditor.

Base Funding

The Local Reimbursement - DES Program is funded from federal sources. The federal funding is received from the Federal Emergency Management Agency (FEMA) involving four distinct programs. Each federal funding source stands alone.

The federal funding sources are:

- a) Emergency Management Assistance (EMA).
- b) Emergency Management Training (EMT).
- c) Direction, Control and Warning (DCW).
- d) Federal Disaster Assistance.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Appr</u>	FY92 <u>Base</u>	FY98 <u>Base</u>
Reimbursement to Local Government	728	728	728	728
Reimbursement of travel expenses	230	230	230	230

Decreases under the Base

There is a reduction of \$1,000,000 per year in the federal spending authority due to the historical trend of need.

VETERAN'S AFFAIRS

	Fiscal 1990	Fiscal 1991	Fiscal 1992		Fiscal 1993	
	Actual	Appropriated	Base	Incr/Deer Recommended	Base	Incr/Deer Recommended
Full Time Equivalent Employees	18,75	18,75	18,75	.00	18,75	.00
Personal Services	401,205.00	438,009	439,254	986	438,754	985
Operating Expenses	63,533.79	91,093	93,047	0	93,227	0
Equipment	1,112.16	0	0	0	0	0
Total Agency Costs	\$465,850.95	\$529,102	\$532,301	\$986	\$531,981	\$985
						\$532,966
General Fund	459,717.54	483,900	486,528	946	486,219	946
Federal Special Revenue Fund	6,133.41	45,202	45,773	40	45,762	39
Total Funding Costs	\$465,850.95	\$529,102	\$532,301	\$986	\$531,981	\$985
						\$532,966

Overview - Veteran's Affairs Division

The Veterans Affairs Division provides a statewide service of assisting discharged veterans and their families; files claims; cooperates with state and federal agencies on the affairs of veterans and their families; and promotes the general welfare of veterans with information on veterans' benefits. The division also provides federal Department of Veterans Affairs (DVA) forms, guidance in completing those forms, and representation before regional DVA appeal boards.

Goals

- o The Montana Board of Veterans Affairs remains dedicated to the mission of securing maximum entitlement for veterans and their families.
- o To reduce or eliminate state expenses through federal entitlement for veterans.

Authorization

20-3-203, M.C.A. This statute defines the duties of the Board of Veterans Affairs.

Base Program

The Veterans Affairs Division provides a statewide service of assisting discharged

veterans and their families. The division currently maintains eight field offices and 18.75 FTE. The division is responsible for approximately \$17 million in federal DVA entitlement paid directly to veterans and their families annually and assists in insuring the DVA continues to provide approximately \$98 million in total benefits annually.

The division is currently developing, along with the Department of Social and Rehabilitative Services, a statewide network which will remove veterans and their surviving spouses from the State's Medicaid roles and enroll these individuals on federal DVA pensions and aid and attendance. A recent development might negate the efforts of the two departments, however. The federal Department of Veterans Affairs recently made a rule change that would not allow for veterans and their surviving spouses to receive these benefits if they reside in a licensed nursing home. Medicaid will have to continue to absorb these costs. The department's Veterans Affairs Division is currently seeking to change this recent rule change.

The division is working to develop a program of early parole or release from prison for veterans who suffer from Post Traumatic Stress Disorder (P.T.S.D.). This is in conjunction with the AFL-CIO and private counselors.

The division also maintains the State Veterans Cemetery .

Base Funding

The funding for the Veterans Affairs Division is from the general fund with the exception of the costs to maintain the cemetery which is funded from donations.

Performance Indicators

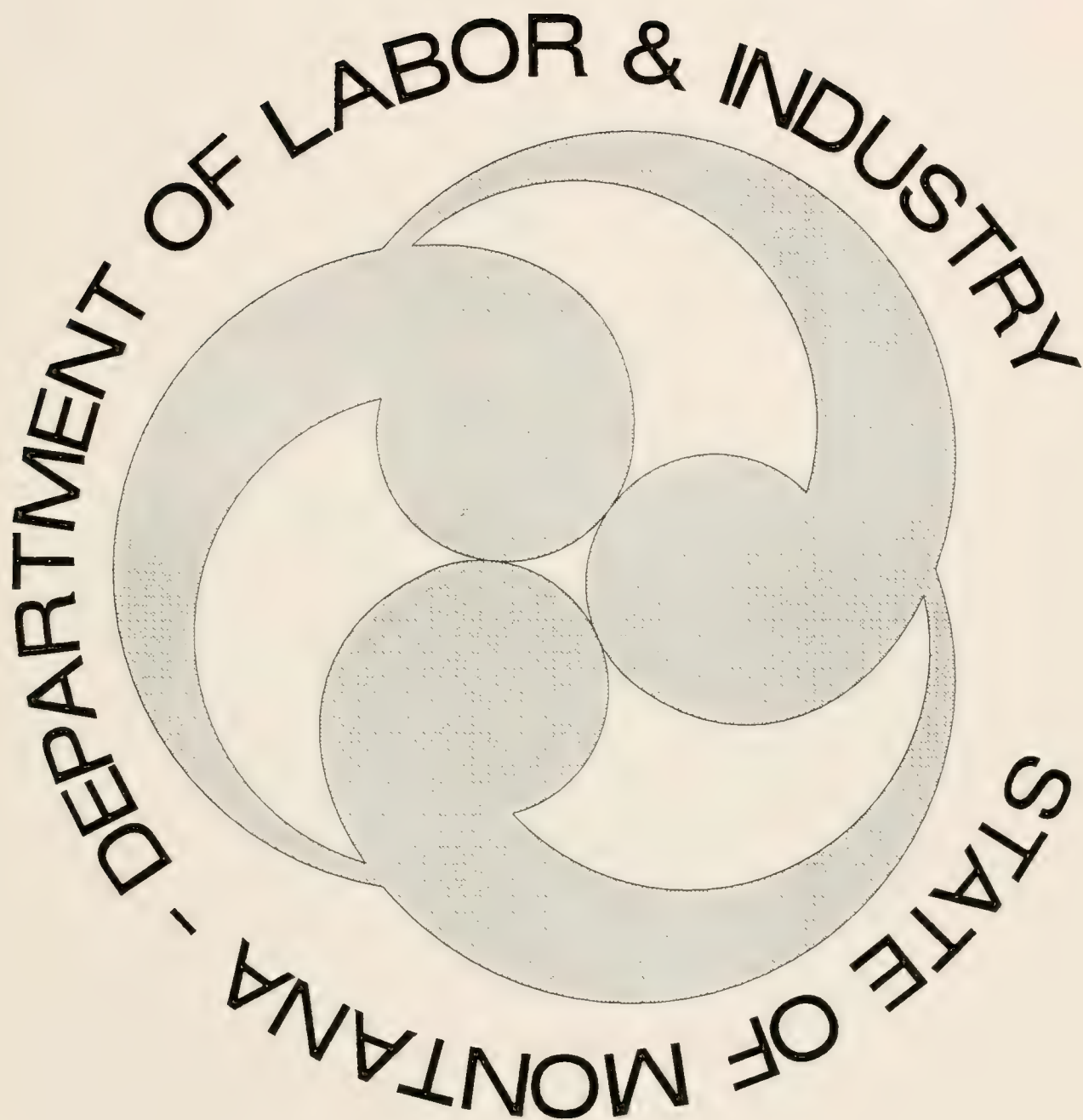
	FY 90	FY 91	FY 92	FY 93
Awards	\$17 M	\$18 M	\$18 M	\$18 M
Transmittals	9,000	10,000	10,000	10,000
Power of Attorney	60,000	61,000	62,000	64,000

DISASTER FUND

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr Recommended	Base	Incr/Decr Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Local Assistance	37,157.75	0	0	0	0	0
Total Agency Costs	\$37,157.75	\$0	\$0	\$0	\$0	\$0
General Fund	37,157.75	0	0	0	0	0
Total Funding Costs	\$37,157.75	\$0	\$0	\$0	\$0	\$0

Program Description - Disaster Fund

Sections 10-3-311 and 10-3-312, M.C.A. allow for expenditures of up to \$2,000,000 from the general fund for emergencies and declared disasters. The fiscal year 1990 expenditures are for final payments to counties for the 1986-87 highline floods.



DEPARTMENT OF LABOR AND INDUSTRY--NARRATIVE BUDGET JUSTIFICATION

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	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	651.09	646.75	653.50	-15.00	638.50	653.50	-15.00	638.50
Personal Services	15,677,581.22	17,604,738	17,930,150	-417,605	17,512,545	17,912,219	-418,875	17,493,344
Operating Expenses	7,412,963.81	7,595,331	7,893,703	175,176	8,058,879	7,879,188	109,721	7,988,909
Equipment	442,675.18	460,032	459,877	-114,556	345,321	459,877	-159,968	299,909
Grants	9,312,212.46	12,364,614	12,250,718	2,286,987	14,537,705	12,250,718	2,573,600	14,824,318
Benefits and Claims	579,134.85	511,999	511,999	-88,775	423,224	511,999	-117,971	394,028
Total Agency Costs	\$33,424,567.52	\$38,536,714	\$39,036,447	\$1,841,227	\$40,877,674	\$39,014,001	\$1,986,507	\$41,000,508
General Fund	767,184.54	977,947	973,774	-274,041	699,733	974,420	-303,302	671,118
State Special Revenue Fund	2,753,806.16	2,969,926	2,880,174	358,396	3,238,570	2,883,092	350,639	3,233,731
Federal Special Revenue Fund	27,488,419.04	31,894,944	31,409,678	2,546,428	33,956,106	31,376,185	2,770,805	34,146,990
Proprietary Fund	2,415,157.78	2,693,897	3,772,821	-789,556	2,983,265	3,780,304	-831,635	2,948,669
Total Funding Costs	\$33,424,567.52	\$38,536,714	\$39,036,447	\$1,841,227	\$40,877,674	\$39,014,001	\$1,986,507	\$41,000,508
Job Service	10,989,969.49	11,484,589	11,652,923	295,753	11,948,676	11,641,726	259,798	11,901,524
Unemployment Insurance	3,531,316.11	3,646,432	3,430,580	444,678	3,875,258	3,413,126	416,343	3,829,469
Commissioner/Centralized Serv	2,385,331.71	3,043,126	3,633,596	-789,850	2,843,746	3,641,041	-831,904	2,809,137
Employment Relations	2,572,302.47	2,717,455	2,752,741	170,763	2,923,504	2,754,690	136,970	2,891,660
Legal Services	745,632.73	765,704	794,360	50,270	844,630	793,479	51,234	844,713
Research, Safety And Training	3,132,823.41	3,653,285	3,657,134	-842,945	2,814,189	3,653,663	-845,031	2,808,632
Human Rights Commission	357,917.65	359,208	358,356	21,014	379,370	358,841	21,109	379,950
Workers Compensation Judge	314,915.49	330,381	332,099	18,497	350,596	332,850	18,255	351,105
Job Training Grants	9,394,358.46	12,536,534	12,424,658	2,473,047	14,897,705	12,424,585	2,759,733	15,184,318
Total Program Costs	\$33,424,567.52	\$38,536,714	\$39,036,447	\$1,841,227	\$40,877,674	\$39,014,001	\$1,986,507	\$41,000,508

MISSION AND GENERAL DESCRIPTION

It is the mission of the Department of Labor and Industry to promote the well-being and employment opportunities of Montana's workers as well as uphold the rights and responsibilities of Montana's employers.

The Department of Labor and Industry was created under the Executive Reorganization Act of 1971 by Executive Order of the Governor on December 13, 1971. Reference: Section 24.1.101, Administrative Rules of Montana.

The Commissioner of Labor and Industry, appointed by the Governor, directs the department. The Legal Services Division was created during the reorganization of this department and various functions of Workers' Compensation. This reorganization decreased the number of divisions from seven to six. They are as follows: Program 01 Job Service Division; Program 02 Unemployment Insurance Division; Program 03 Centralized Services Division; Program 04 Employment Relations Division; Program 06 Legal Services Division; Program 07 Research, Safety and Training Division. The Research, Safety and Training Division administers the statewide grant functions under the Job Training Partnership Act. The grant activities are accounted for in Program 50, Job Training Grants.

In addition to the divisions, the department has four functions administratively attached. They are as follows: Human Rights Commission,

DEPARTMENT OF LABOR AND INDUSTRY

Workers' Compensation Judge, Board of Labor Appeals and the Board of Personnel Appeals. The Workers' Compensation Judge was shifted to the Department of Labor and Industry from the Department of Administration as part of the Workers' Compensation reorganization.

AGENCY ORGANIZATION

The Department of Labor and Industry serves as an employment agency, collects and disburses state unemployment funds, provides training, and oversees federal Job Training Partnership Act (JTPA) grants. The department also enforces state wage and hour laws, provides for apprenticeships, hears classification, unemployment insurance, Workers' Compensation disputes, enforces state and federal anti-discrimination in employment laws, and assists the public in the interpretation of the Workers' Compensation and Occupational Disease Acts.

The programs and functions of the Department of Labor and Industry are carried out through the following major organizational components.

Job Service Division: This division acts as a labor exchange through the job service offices throughout the state by listing available jobs and referring qualified personnel to employers. In addition, the division's local offices take initial claims for the Unemployment Insurance program.

Unemployment Insurance Division: This division

is responsible for the administration of state and federal unemployment insurance laws. The division collects unemployment insurance taxes and makes payments to eligible recipients. This division also manages the unemployment insurance trust fund.

Centralized Services Division: This division provides overall management and support services to the Department of Labor and Industry, including personnel hiring and training, data processing, budgeting, accounting, financial reporting and purchasing.

Employment Relations Division: This division includes the five-member Board of Personnel Appeals, the three-member Board of Labor Appeals, and two bureaus: 1) Dispute Resolution; and 2) Standards.

Research, Safety and Training Division: This division provides overall employment and training policy and planning functions for the department. The division produces labor market information and statistics. It is responsible for administering the state's industrial safety laws, licenses for crane/hoist/boiler operators and provides loss control services. The division consists of three bureaus: 1) Apprenticeship and Training; 2) Research and Analysis; and 3) Safety.

Legal Services Division: This division provides legal and hearings services to the department. The division consists of two units: 1) Legal Unit and 2) Hearings Unit.

Human Rights Commission: The Commission is charged with enforcement of state and federal laws designed to eliminate discrimination in the areas of employment, public accommodations, housing, financing and credit transactions, education and government services.

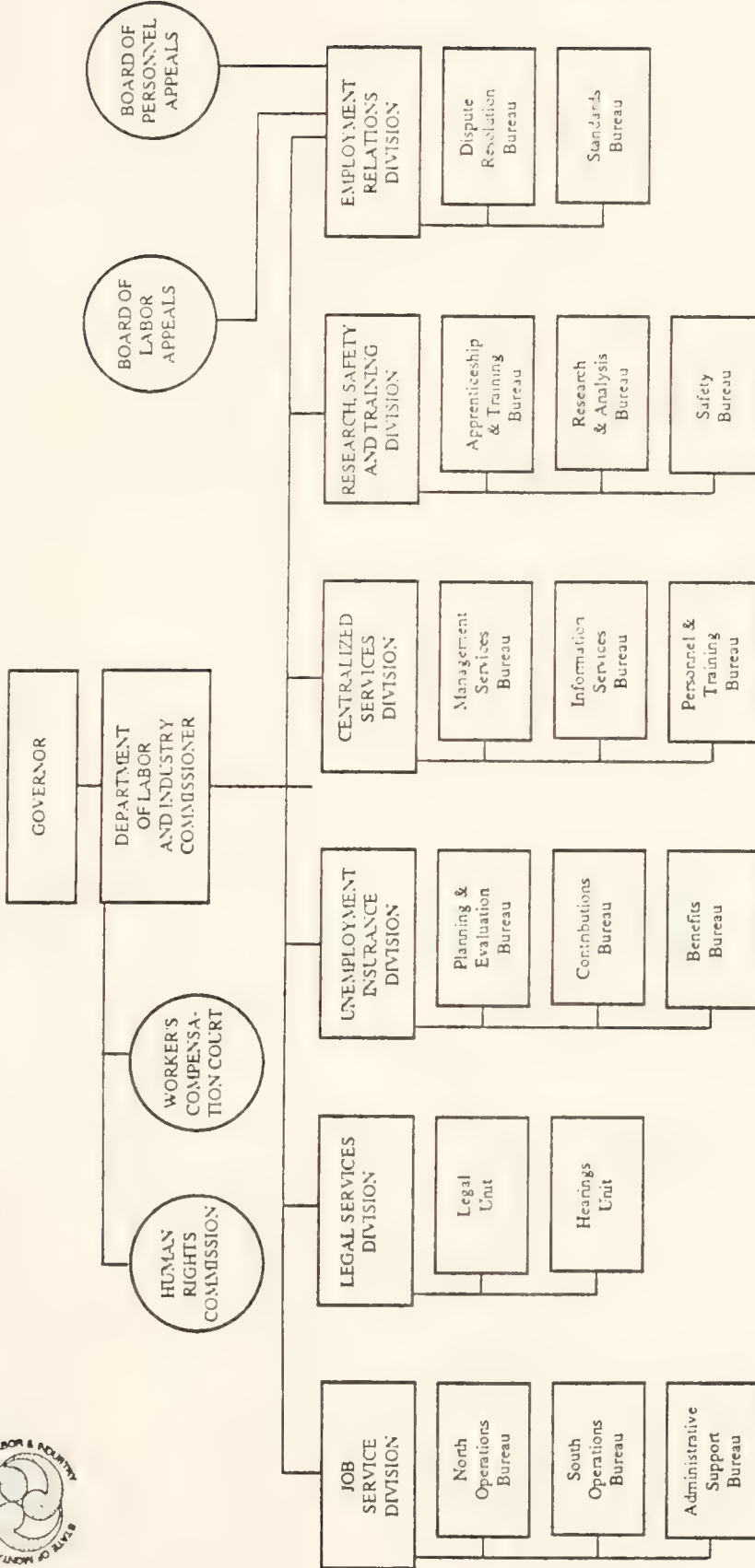
Workers' Compensation Judge: The Workers' Compensation Judge provides the forum for Montana's employees and the insurance industry to resolve disputes arising out of work related injuries and occupational disease. Through the promulgation of rules, the public is provided with information on the procedures to follow before the court. The court staff answers questions from the general public, coordinates times and places for trials and pre-trials, provides necessary information regarding various decisions and rulings, and generally attempts to be responsive and prompt in its work.

Job Training Grants (JTG): The JTG passes through federal Job Training Partnership Act (JTPA) funds to the Department of Labor and Industry, state agencies, and non-state organizations that provide training to help individuals enter or re-enter the work force. Funding for the State Displaced Homemaker Program is also included in this program.



DEPARTMENT OF LABOR AND INDUSTRY

24.1.101



DEPARTMENT OF LABOR AND INDUSTRY

DECEMBER 1990

COMMISSIONER

GOVERNOR

Gregory McCann
Ota Deth

JOB SERVICE DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	316.60	314.85	314.85	6.00	320.85	314.85	6.00	320.85
Personal Services	7,759,151.99	8,495,114	8,561,651	169,485	8,731,136	8,552,419	169,064	8,721,483
Operating Expenses	3,142,647.56	2,885,711	2,987,508	148,273	3,135,781	2,985,543	112,079	3,097,622
Equipment	88,169.94	103,764	103,764	-22,005	81,759	103,764	-21,345	82,419
Total Agency Costs	\$10,989,969.49	\$11,484,589	\$11,652,923	\$295,753	\$11,948,676	\$11,641,726	\$259,798	\$11,901,524
State Special Revenue Fund	87,011.00	89,158	89,158	1,888	91,046	89,158	2,398	91,556
Federal Special Revenue Fund	10,902,958.49	11,395,431	11,563,765	293,865	11,857,630	11,552,568	257,400	11,809,968
Total Funding Costs	\$10,989,969.49	\$11,484,589	\$11,652,923	\$295,753	\$11,948,676	\$11,641,726	\$259,798	\$11,901,524

OVERVIEW

The Job Service Division provides a wide range of federally funded employment and training Programs. The Division acts as a labor exchange by listing jobs and referring qualified personnel to employers. Labor exchange functions are coordinated with other employment and training programs to meet local needs of individuals and employers for training and retraining. This is accomplished through a network of Job Service Offices throughout the State. In addition, the division's local offices take initial claims for the Unemployment Insurance program.

GOALS

To provide employment and training services in a manner that best meets the needs of the unemployed, underemployed, job seekers and employers in guiding Montana towards full employment potential.

To provide adequate information to the general public, job seekers and members of the business community regarding the availability of the full range of employment and training services and to solicit public comment and council input on service plans as well as on anticipated major changes in the availability of those services.

AUTHORIZATION

P.L. 97-300 The Wagner Peyser Act of 1937,

DEPARTMENT OF LABOR AND INDUSTRY

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provides for the establishment and maintenance of a national system of employment offices to provide basic labor exchange activities.

39-51-404 MCA

The 1983 legislature designated part of the employers' Unemployment Insurance tax as an administrative tax to prevent decreasing federal revenues from requiring the closure of any of the Job Service offices in Montana.

P.L. 100-323

US Department of Labor provides special funding for labor exchange activities to increase opportunities for veterans to obtain employment, job training, counseling, and job placement services.

P.L. 99-603

Migrant and Seasonal Agricultural Worker Protection Act provides protection of migrant and seasonal agricultural workers and for the registration of contractors of migrant and seasonal agricultural labor and for other purposes.

P.L. 97-300

The Job Training Partnership Act establishes programs to prepare individuals for entry into the labor force and to assist with job training for those

JOB SERVICE DIVISION

economically disadvantaged individuals and others facing serious barriers to employment, who are in special need of such training to obtain productive employment.

P.L. 95-600

The Targeted Job Tax Credit Act was designed to help individuals from certain groups who have consistently had the most difficulty in securing employment by providing employers a tax credit for hiring those individuals.

39-71-203 MCA

Workers' Compensation Rehabilitation Panels meet with injured workers for the purpose of advising insurance carriers of the workers' eligibility for rehabilitation services.

BASE PROGRAM

1. Employment Services (Labor Exchange)

The Employment Service was established by the Wagner-Peyser Act of 1937. The basic purpose of the employment service system is to improve the functioning of the state labor market by bringing together job seekers who are looking for employment and employers with job openings and facilitating the match between job seekers and employers. Employment service also includes a system for clearing labor between state and local

DEPARTMENT OF LABOR AND INDUSTRY

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labor markets to provide information on potential employment opportunities. In addition, the employment service activities include ensuring claimants meet the work test required by the state Unemployment Insurance System. These services are offered statewide through 23 Local Job Service Offices. In addition to the required activities listed above, each Local Office provides counseling, testing and labor market information to individual clients, as needed.

2. Unemployment Insurance

Local offices take initial claims for the Unemployment Insurance (UI) program from individuals who are out of work through no fault of their own. Each UI claimant is registered for work and referred to jobs for which the individual is qualified. Exceptions to this are claimants who are job attached and will be returning to work, workers registered for placement with a union hall or workers who normally obtain jobs by some institutionalized method such as professional societies. To receive UI benefits, a claimant must meet the UI work test, that is be able, available and actively seeking work. In addition, all services at the Local Office are available to UI claimants.

3. Veterans Services

Job Service receives special funding from the U.S. Department of Labor to provide services to veterans. The Local Veterans Employment Representative and Disabled Veterans Outreach Programs are designed to ensure eligible veterans

JOB SERVICE DIVISION

are registered for service in the Local Job Service Offices, referred to counseling, notified of training and suitable job openings, given priority in referral to employment and are assisted in finding employment through job development activities.

4. Migrant and Seasonal Farm Worker Services

Job Service Offices are required by federal law to make special efforts to serve migrant and seasonal farm workers (MSFW) including the full range of counseling, testing and job training and referral services as provided to all other eligible client groups. In areas where significant numbers of MSFW clients reside, information will be provided to those clients in both Spanish and English as necessary. Each state is required to have a MSFW monitor advocate who conducts an ongoing review of the delivery of service of Job Service offices to MSFW to assure they are receiving appropriate service.

5. Alien Certification

The Alien Certification Program is administered by Job Service when the employer wishes to employ a specific alien worker. Before the application is processed, the employer must list the opening with the Local Job Service Office, who in turn places the order in clearance so that American workers and eligible aliens are actively recruited. The onus is on the employer to prove that he/she has exhausted all possible recruitment sources to attract American workers (i.e. newspaper ad, trade journals, etc.). Once this requirement has been satisfied, the alien

certification request is transmitted to the federal regional office, and subsequently the Immigration and Naturalization Service (INS) for consideration and final approval for the entry of an alien into the US work force.

6. Housing Inspections

As a prerequisite for approval, employers requesting agricultural alien workers must submit their workers' housing to an inspection by Job Service staff. Job Service staff physically inspect the housing to determine compliance with minimum Federal Employment and Training Administration or Occupational Safety and Health Administration standards as part of the alien certification process.

7. Immigration Reform and Control Act

This act requires that as of November, 1986, all individuals hired in the USA must be certified as eligible to work. Job Service Offices will verify the eligibility of all individuals referred on job orders where this service is requested by employers.

8. Federal Bonding Program

The Federal Bonding Program (FBP) is offered by Job Service to assist hard to place applicant groups such as offenders, ex-offenders, people with history of alcohol or drug abuse, those with poor credit ratings, and others whom the employer will not hire without assurance of protection against possible loss. Fidelity bonds are a form of insurance used to indemnify employers for loss

of money or property sustained through the dishonest acts of their employees. These acts include larceny, theft, forgery and embezzlement. FBP coverage is based on the potential loss, with a maximum of \$10,000.

9. Job Training Partnership Act (JTPA)

Local Job Service Offices operate programs funded under the Job Training Partnership Act. The purpose of JTPA is to establish programs to prepare and place unskilled youth, adults and dislocated workers into the labor force. The act provides job training to economically disadvantaged individuals and others facing serious barriers to employment with the ultimate goal of placing these individuals in jobs at a livable wage. Services provided include: job search assistance, basic skills training, job counseling, on the job training and job development.

10. Targeted Job Tax Credit (TJTC)

The Targeted Job Tax Credit (TJTC) program is administered by Job Service. The program offers employers a substantial income tax credit if they hire from one of nine targeted groups including economically disadvantaged and handicapped individuals.

The tax credit is 40% of the employee's first year's wage up to a maximum of \$6,000 for adults and 40% of summer youth's wages up to a maximum of \$3,000. A minimum employment (retention) period of 90 days or 120 hours of paid employment

(14 days or 20 hours for summer youth) is required before an employer can claim the tax credit. Job Service provides the employer with a signed certification that must be forwarded via a federal Internal Revenue Service tax return to claim the credit.

11. Rehabilitation Panels

The Job Service Local Offices are also participating on Workers' Compensation Rehabilitation Panels. These panels will meet with injured workers for the purpose of advising insurance carriers of the workers' eligibility for rehabilitation services. These panels are being implemented as a result of the passage of SB315 by the 50th Legislature.

12. Administrative Fund Tax

In 1983 Montana's legislature designated part of the employers' Unemployment Insurance tax rate as an Administrative Tax. This administrative tax was intended to protect the 23 Job Service Offices in Montana and prevent decreasing federal revenues from requiring the closure of any offices.

BASE FUNDING

Most (93.3% estimated for SFY 92) of Job Service's base funding comes from federal sources. The remaining funds come from other revenue sources (Workers' Compensation and UI

Administrative Tax Fund). Over the past several years federal revenues have declined. In order to provide full service in all 23 local offices, the division will continue to use funds provided by the UI Administrative Tax Fund. Workers' Compensation provides for the support of Job Service personnel serving on workers' compensation rehabilitation panels.

PERFORMANCE INDICATORS

	FY 1990 Actual	FY 1991 Enacted	FY 1992 Base	FY 1993 Base
Employment Services				
Placements	24,735	24,500	24,500	24,500
Placements Transactions	44,073	44,000	44,000	44,000
Obtained Employment	1,953	2,000	2,000	2,000
Unemployment Insurance				
Initial Claims	54,232	50,000	50,000	50,000
Job Training Programs - Title IIA				
Adult 13 Week Follow Up				
Employment Rate	60%	*62%	*62%	*62%
Adult 26 Week Follow Up				
Employment Rate	60%	*60%	*62%	*60%
Welfare Adult 13 Week Follow Up				
Employment Rate	51%	*51%	*51%	*51%
Youth Entered Employ Rate	74%	*45%	*45%	*45%
Youth Employability				
Enhancement Rate	32%	*33%	*33%	*33%
Job Training Programs - Title III				
Employment Rate	95.5%	*67%	*67%	*67%

* Indicators may change based on Private Industry Council Action.

SUMMARY OF INCREASES OR DECREASES FROM BASE

<u>Title</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Modification: EDWAAA/TAA:		\$ 253,869 =====	\$ 253,520 =====

For the past biennium, Budget Amendments were submitted for these programs. These programs need to be included in base rather than amendments. The purpose of this service is to improve the state's labor market by preparing, retraining and placing dislocated workers into the labor force. The act provides job training to economically disadvantaged individuals and others facing serious barriers to employment with the ultimate goal of placing these individuals in jobs at a livable wage. These services are offered through Job Service Offices throughout the state. In order to complete this program, 6 full time equivalents will be needed for both fiscal years. The authority will be used as follows:

#1000 Personal Services	\$149,999	\$149,650
#2000 Operating Expenses	\$103,870	\$103,870

Reallocation:
Base:

\$ 41,884 =====	\$ 6,278 =====
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An increase in the Workers' compensation benefit rate increased personal services. The Division redirected \$22,005 for FY92 and \$ 21,345 for FY93 from Equipment to help meet the actual costs associated with operating the programs. The increase was in the area of computer support and supplies to enable the budget request for FY92/93 to closer reflect the actual FY90 expenditures.

#1000	\$ 19,485	\$ 19,414
#2000	\$ 44,403	\$ 8,209
#3000 Equipment	(\$ 22,005)	(\$ 21,345)

UNEMPLOYMENT INSURANCE DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	87.15	96.15	87.90	11.00	98.90	87.90	11.00	98.90
Personal Services	2,233,167.76	2,327,528	2,190,505	306,077	2,496,582	2,187,897	304,408	2,492,305
Operating Expenses	1,279,681.10	1,273,904	1,195,075	97,687	1,292,762	1,180,229	92,692	1,272,921
Equipment	18,467.25	45,000	45,000	40,914	85,914	45,000	19,243	64,243
Total Agency Costs	<u>\$3,531,316.11</u>	<u>\$3,646,432</u>	<u>\$3,430,580</u>	<u>\$444,678</u>	<u>\$3,875,258</u>	<u>\$3,413,126</u>	<u>\$416,343</u>	<u>\$3,829,469</u>
Federal Special Revenue Fund	3,531,316.11	3,646,432	3,430,580	444,678	3,875,258	3,413,126	416,343	3,829,469
Total Funding Costs	<u>\$3,531,316.11</u>	<u>\$3,646,432</u>	<u>\$3,430,580</u>	<u>\$444,678</u>	<u>\$3,875,258</u>	<u>\$3,413,126</u>	<u>\$416,343</u>	<u>\$3,829,469</u>

OVERVIEW

The Unemployment Insurance Division (UID) administers the state's unemployment insurance law and related federal programs. Benefits are provided to eligible applicants to replace part of the wages lost as a result of involuntary unemployment. This program determines the employer's tax liability; processes employer quarterly reports; audit employers; collects taxes; determines employer tax rates; receives, processes and pays benefits claims; adjudicates problem claims; and compiles data to meet state and federal reporting requirements. The program operates through three organizational bureaus - The Benefits Bureau, Contributions Bureau and the Planning and Evaluation Bureau.

In addition to internal UID activities, the division funds other divisions to hear appeals on contested tax and benefit cases, to take claims for benefits in 23 local offices, to gather data and to provide computer services.

GOALS

To administer the Unemployment Insurance program which provides short-term economic relief to eligible individuals, and provide the foundation for a stable work-force for employers. To provide an audit function that results in effective and efficient UI procedures. The division will strive to administer this program with a commitment to truly serve the needs of employers and claimants; to continually improve

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that service; and to seek excellence in all that we do.

AUTHORIZATION

39-51-101
through

39-51-3206 MCA The Montana Code Annotated defines the functions of the Unemployment Insurance program. The framework of the programs is established in Title III and IX of Social Security Act and the Federal Unemployment Tax.

BASE PROGRAM

The Benefits Bureau determines claimant eligibility for receipt of unemployment insurance benefits. Once the claimant is determined eligible, it is the bureau's responsibility to ensure the claimant is paid properly. The bureau is responsible for determining employer chargeable and benefit payment control. Their objectives are:

1. To process and make first payments to 87 percent of eligible claimants within 14 days of the first compensable week claimed.
2. To process and make first payments to 70 percent of eligible interstate claimants within 14 days of the first compensable week claimed.

UNEMPLOYMENT INSURANCE DIVISION

3. To process and make first payments to 70 percent of Unemployment Compensation for Federal Employees' claimants within 14 days of the first compensable week claimed.

4. To process and make first payments to 87 percent of Unemployment Compensation for Ex-military claimants within 14 days of the first compensable week claimed.

5. To process and make determinations, regarding other than monetary eligibility problems, for 80 percent of all claimants having potential disqualify circumstances within 14 days on new and additional claims and seven days on issues discovered on weeks claimed.

6. To process and transfer 75 percent of all requests for wages of claimants now residing in another state to the state of residence within seven calendar days of receipt.

7. To recover a minimum of 55 percent regular state UI fraudulent overpayment as a percentage of all regular state UI fraudulent overpayment established.

8. To recover a minimum of 55 percent regular state UI non-fraudulent overpayment as a percentage of all regular state UI non-fraudulent overpayment established.

The Contributions Bureau collects employer taxes through quarterly reports, deposits taxes to the trust fund, and determines whether employers are subject under the Unemployment Insurance law.

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Their objectives are:

1. To collect at least 95 percent of employer's quarterly tax reports by the end of the quarter in which they are due.

2. To deposit a minimum of 90 percent of monies received from employers in the clearing account within 3 work days of receipt.

3. To withdraw from the state account in the Unemployment Trust Fund an amount sufficient to maintain in the benefit payment account a balance equivalent to not more than one day's benefit payment requirement from the account.

4. To process and make determinations about employer's taxable liability on 80 percent of all cases within 180 days of liability date.

The Planning and Evaluation Bureau is responsible for operating the Quality Control Program within federal time-lines and guidelines. The bureau performs functions for state and federally required integrity programs. The bureau also provides administrative support to the Contributions Bureau and Benefits Bureau to enable the division to most effectively and efficiently provide services to the program clients.

BASE FUNDING

Unemployment Insurance is entirely funded by federal unemployment insurance funds. However,

under department proposed legislation, if federal funding is inadequate, base and modified level funding for the Planning and Evaluation Bureau would be supplemented with Penalty and Interest monies.

PERFORMANCE INDICATORS

	FY 1990 <u>Actual</u>	FY 1991 <u>Enacted</u>	FY 1992 <u>Base</u>	FY 1993 <u>Base</u>
Number of Initial Claims	54,232	60,000	76,500	78,000
Number of Weeks Claimed	385,187	400,000	484,500	494,000
Number of Non-monetary Determinations	13,613	16,500	17,700	17,700
Number of Covered Montana Employers	24,024	24,500	24,250	24,500
Number of Employer Status Determinations	7,361	8,500	8,500	8,500
First Pay to Intrastate Eligible within 14 Days	89.75%	87%	87%	87%
First Pay to Interstate Eligible within 14 Days	73.3%	70%	70%	87%
Non-monetary Determinations within 14 Days	56.3%	80%	80%	80%
Liable Wage Transfers within 7 Days	91.4%	75%	75%	75%
Deposit Taxes within 3 Days	99.3%	90%	90%	90%
Status Determinations Promptness in 180 Days	84.7%	80%	80%	80%

Report Delinquency by End
of Quarter

99.5%

95%

95%

95%

Collections Promptness in
150 Days

80.0%

75%

75%

75%

Contributory employer audits
minimum penetration

4.4%

4%

4%

4%

SUMMARY OF INCREASES OR DECREASES FROM BASE

<u>Title</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
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Modification Requests:
Accounts Receivable

	\$129,204	\$105,093
	=====	=====

The Unemployment Insurance Division (UID) administers the state's unemployment insurance law and related federal programs. This program, Accounts Receivable, would review and collect the delinquent, penalty and interest payments from employers that are not now being collected. All delinquent receivables would be investigated and the appropriate action taken. At the end of August, 1990, the Accounts Receivable had an outstanding balance of \$1,097,041. This program would enable the division to collect a percentage each year of this outstanding debt. It is estimated the program would collect over \$275,000 each year, which would be deposited in the trust fund or appropriated for program integrity activities if department proposed legislation is enacted. It will take an additional 3 FTE to complete this process. In addition, there will be a need for each of the staff to have access to a computer to assist in their duties. The first level costs are estimated to be:

#1000 Personal Services	\$ 72,291	\$ 72,123
#2000 Operating	\$ 40,729	\$ 32,970
#3000 Equipment	\$ 16,184	\$ 0

Automation:

	\$ 24,730	\$ 19,243
	=====	=====

This is for the purchase of seven personal computers, model 80, in FY92 and six personal computers, model 80, in FY93 for replacement for obsolete models. In addition, five personal computers will be purchased each year for

staff who currently do not have access to a computer. Each year two Laserjet printers will be purchased to replace printers as workload has become excessive for the current printers to maintain the required production level.

#3000

\$ 24,730 \$ 19,243

Reorganization:
Auditors:

\$ 358,696
=====

\$359,802
=====

The audit function was split at the end of September 1990 which resulted in the FTEs being relocated. UID was allocated eleven FTE from the disbursement of the Audit Bureau. The corresponding allocation for personal service and operating expenditures were transferred to UID, which increased the budget as follows:

#1000 Personal	\$201,738	\$300,080
#2000 Operating Expenditures	\$ 56,958	\$ 59,722

Base:

(\$ 67,952)
=====

(\$ 67,795)
=====

The base was reduced by three FTE resulting in a decrease of personal services. Two of the FTEs were transferred to ERD for accident cataloguing.

#1000
(\$ 67,952) (\$ 67,795)

CENTRALIZED SERVICES DIVISION/COMMISSIONER'S OFFICE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	88.25	70.25	87.50	-23.00	64.50	87.50	-23.00	64.50
Personal Services	1,570,812.15	2,100,627	2,520,739	-629,612	1,891,127	2,517,721	-629,027	1,888,694
Operating Expenses	774,208.34	894,449	1,064,807	-168,326	896,481	1,075,270	-173,934	901,336
Equipment	40,311.22	48,050	48,050	8,088	56,138	48,050	-28,943	19,107
Total Agency Costs	\$2,385,331.71	\$3,043,126	\$3,633,596	\$-789,850	\$2,843,746	\$3,641,041	\$-831,904	\$2,809,137
State Special Revenue Fund	91,626.67	199,322	0	0	0	0	0	0
Federal Special Revenue Fund	0.00	283,873	0	0	0	0	0	0
Proprietary Fund	2,293,705.04	2,559,931	3,633,596	-799,850	2,843,746	3,641,041	-831,904	2,809,137
Total Funding Costs	\$2,385,331.71	\$3,043,126	\$3,633,596	\$-789,850	\$2,843,746	\$3,641,041	\$-831,904	\$2,809,137

OVERVIEW

The Commissioner's Office/Centralized Services staff provide overall direction for the agency and support services such as accounting, budgeting, financial reporting, data processing, personnel, training and general services for the various functions of the Department of Labor and Industry.

GOALS

To provide the necessary leadership and direction which will enable the department to successfully fulfill its mission.

To provide the financial support services to enable the department to most effectively and efficiently operate its programs.

To provide the technical support for all facets of computers, to enhance the office automation of the Department.

AUTHORIZATION

- | | |
|---------------|--|
| 2-15-1701 MCA | Authorizes the office of Commissioner. |
| 39-51-307 MCA | Authorizes the establishment of the Centralized Services Division of the Department of Labor and Industry. |

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BASE PROGRAM

The Commissioner's Office provides the overall administration of the Department of Labor and Industry.

The Centralized Services Division provides the central support functions of the department. These support functions are provided through an organizational structure consisting of three bureaus.

The Information Services Bureau provides technical and administrative support in the areas of hardware and software maintenance, systems analysis and programming, systems maintenance, office automation support services and word processing services. Two significant objectives of the bureau are (1) to maintain an average of 97 percent computer up-time for the department's Distributed Processing System during prime shift (8:00 a.m to 5:00 p.m.) and (2) meet word processing completion request dates at least 90 percent of the time.

The Management Services Bureau provides technical and administrative support in the areas of accounting, financial administration and reporting, purchasing, payroll, budgeting, management analysis, procedural review and workload effectiveness, mail services, building maintenance, and duplicating and supply services. The objectives of this bureau are diverse. The three most important objectives are (1) to properly account for all funds received by the department; (2) to help ensure that the funds are expended in accordance with federal and state

CENTRALIZED SERVICES DIVISION

requirements; and (3) to report the financial expenditure data to the supporting agencies -- federal and state -- in accordance with time line requirements.

The Personnel and Training Bureau provides services in the areas of recruitment, job classification, labor relations, position control, EEO and Affirmative Action, plans, and departmental training coordination. The bureau has three objectives - (1) to monitor all performance appraisals as far as due dates, completion and consistency; (2) to provide training (in-service and out-service) in areas identified through training surveys and performance appraisals; and (3) to assist in recruitment activities by developing vacancy announcements and advertising materials, collecting and screening applications and providing lists of eligible applicants.

BASE FUNDING

Cost allocation plan assessments provide the funding for the Commissioner's Office, division administrator, Management Services Bureau, Personnel and Training Bureau, Word Processing Unit and the Office Automation Unit of the Information Services Bureau. The assessment is accounted for in the proprietary fund. The amount is expected to increase in FY92/93 due to inflation and more importantly, the impact of the recent department reorganization.

The balance of Information Services Bureau is funded through "service agreements" with the

various programs within the department. These services are then accounted for in the proprietary fund.

PERFORMANCE STANDARDS

	<u>FY 1990 Actual</u>	<u>FY 1991 Enacted</u>	<u>FY 1992 Base</u>	<u>FY 1993 Base</u>
Word Processing output pages completed percent on time	99,000 99%	92,000 99%	92,000 99%	92,000 99%
Programming request number completed	81	90	90	90
Statewide 8100 Computer system availability	97%	98%	98%	98%
Network personal computers & terminals in service	640	640	700	700
Financial reporting time lines met	99%	99%	99%	99%
Percentage of performance appraisals completed	58%	65%	85%	90%
Number of training sessions attended	1,222	1,500	1,500	1,500

SUMMARY OF INCREASE OR DECREASE FROM BASE

Title	Explanation	Fiscal 1992	Fiscal 1992
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Modification:
Microfilm:

\$ 18,000	\$ 9,000
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This request is to proceed with the microfilming that is needed to maintain Worker Compensation records for the statutory time. This function was delayed during the reorganization of the department and therefore, additional funds will be needed in FY92 to regain a current status on microfilming, then will decline to a fixed amount after the initial procedure.

#2000	\$ 18,000	\$ 9,000
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Reallocation:
Base:

\$ 8,088	(\$ 28,943)
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This reallocation was to adjust equipment to the division's needs for the next biennium. Part of the need is to purchase a replacement master imager in FY92.

#3000	\$ 8,088	(\$ 28,943)
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Reorganization:
Audit Bureau:

(\$815,938)	(\$811,961)
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The Audit Bureau was dissolved as of September 30, 1990, therefore, the CSD budget request has been reduced to reflect this reorganization. Twenty-three FTEs were transferred out. Three FTE were transferred to ERD, eleven FTE were transferred to UI, with the remaining nine FTE transferred to the State Fund.

FTE	(23)
#1000	(\$629,612)
#2000	(\$186,326)
	(\$629,027)
	(\$182,934)

EMPLOYMENT RELATIONS DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	73.25	57.00	54.75	5.00	59.75	54.75	5.00	59.75
Personal Services	1,343,863.01	1,512,748	1,453,493	118,677	1,572,170	1,452,345	118,401	1,570,746
Operating Expenses	634,006.41	683,263	777,804	140,647	918,451	780,901	136,326	917,227
Equipment	97,444.20	9,445	9,445	214	9,659	9,445	214	9,659
Benefits and Claims	496,988.85	511,999	511,999	-88,775	423,224	511,999	-117,971	394,028
Total Agency Costs	\$2,572,302.47	\$2,717,455	\$2,752,741	\$170,763	\$2,923,504	\$2,754,690	\$136,970	\$2,891,660
General Fund	507,744.53	525,077	511,999	-88,775	423,224	511,999	-117,971	394,028
State Special Revenue Fund	1,353,986.61	1,471,227	1,556,072	252,226	1,808,298	1,557,167	244,372	1,801,539
Federal Special Revenue Fund	710,571.33	717,651	680,925	7,312	688,237	681,779	10,569	692,348
Proprietary Fund	0.00	3,500	3,745	0	3,745	3,745	0	3,745
Total Funding Costs	\$2,572,302.47	\$2,717,455	\$2,752,741	\$170,763	\$2,923,504	\$2,754,690	\$136,970	\$2,891,660

OVERVIEW

The Employment Relations Division (ERD) includes: the five-member Board of Personnel Appeals; the three-member Board of Labor Appeals; two bureaus--Dispute Resolution and Standards; and an Administrative Support Work Unit. Much of the division has been renamed as a part of a reorganization mandated through SB428 enacted during the 1989 Legislative Session, which restructured what had been known as the Workers' Compensation Division.

The Board of Personnel Appeals is provided for in Section 2-15-1705 MCA. This Board, through the Dispute Resolution Bureau, administers Montana's Collective Bargaining Act. It also hears classification appeals for state government employees, hears grievances for employees in the Departments of Highways and Fish, Wildlife and Parks and administers disputes involving wage and hour issues. The Board of Labor Appeals is provided for in Section 2-15-1704 MCA. This board hears appeals concerning the administration of Montana's unemployment insurance laws. The Administrative Support Work Unit includes the division administrator and his immediate staff. This work unit provides division-wide administrative support as well as functioning as the staff for both of the division's quasi-judicial boards.

The Dispute Resolution Bureau provides services in several distinct areas that are directed toward assisting organizations and individuals in arriving at an early, inexpensive settlement of

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their disputes and obligations. The staff of the bureau provide labor mediation and collective bargaining representation and investigation services; state classification and pay plan appeal investigations; workers' compensation mediation; workers' compensation file and claim management services; accident cataloging; and administrative reviews.

The Standards Bureau enforces statute- and rule-based obligations created by a wide range of state and federal laws and rules. The Investigations Unit establishes the facts in disputes between employers and employees and enforces obligations between parties. The Regulations Unit administers bond and other fund pools mandated by law for certain employers and employees, and administers programs assuring compliance with state and federal laws and rules.

GOALS

To reduce unnecessary and expensive litigation by providing alternatives---through such means as mediation, administrative review, and better public information---for organizations and individuals seeking legal redress.

To provide uniform administration and enforcement of state statutes and rules on the wide variety of legal issues mandated as enforceable through the division's appeals boards and bureaus.

AUTHORIZATION
2-15-1704 &

EMPLOYMENT RELATIONS DIVISION

1705 MCA

Authorizes the operation of
ERD's two quasi-judicial
appeals boards

2-18-101 to 1106;

2-39-31; 71 &

72 MCA

Authorizes the operation of ERD's
Dispute Resolution Bureau

2-18-601 to 621;

7-4-2504 to 2510;

18-2-401 to 432;

39-1,-2,-3,&-4;

39-71 & -73;41-2;

45-7-101 MCA

Authority for the various
operations of ERD's Standards
Bureau.

Title 29 500 to 899

CFR & 29 U.S. Code

200 et. seq. Federal statutes authorizing
operations of the division.

BASE PROGRAM

A. Dispute Resolution Bureau:

The labor and mediation program of the bureau provides dispute resolution services in the form of mediation and conciliation to public sector labor and management representatives who reach impasse in their collective bargaining contract negotiations. The bureau's objective is to furnish expert, third-party neutral labor mediators to labor-management disputants to assist them in calculating and resolving their

economic and contract language differences rather than striking or locking out.

The Collective Bargaining program is directed toward resolving labor-management representation disputes by advising unions and employers in the public sector of their rights and obligations under the public employees collective bargaining law. The objective is to resolve representation and unfair labor practice disputes before they reach the contested case hearing stage by conducting a secret ballot election, or by resolving an unfair labor practice dispute at the investigation stage.

The State Classification and Pay Appeals program is directed toward the resolution of appeals at the preliminary investigation level before the matter becomes a contested case and an administrative hearing is necessitated. The objective is to settle such appeals at the informal investigatory level.

The workers' compensation mediation program provides dispute resolution services in the form of mediation to claimants and insurers who have disputes over benefits. The program objective is to furnish expert, third-party neutral mediators to workers' compensation benefit disputants to assist them in calculating and resolving their differences rather than proceeding to the Workers' Compensation Judge.

The Workers' Compensation Claims Management program provides services to insurers and claimants in the form of advice, determinations and orders regarding their rights and obligations

under the workers' compensation and occupational disease laws. The program objective is to ensure that claimant and insurer rights and obligations pursuant to the law and rules are set forth clearly to avoid prolonged disputes that could go to litigation by informing the parties of current law, rule and policy.

The Workers' Compensation Files Management program provides support services to the claims management unit by developing and maintaining a readily accessible filing system used to aid claims examiners and others in carrying out their responsibility to claimants and insurers. The objective is to insure that files are properly maintained and updated.

The Accident Cataloging section, within the Files Management Unit, assigns accident numbers to all unnumbered incoming documents for appropriate routing. The objective is to ensure that files are input into the database to be available for statistical reporting requirements.

The Administrative Review program provides services to parties, who have been adversely affected by division orders, by allowing them to petition for review of such orders and obtain either an informal in-person or telephone conference. The objective of the review is to permit the independent an informal analysis of all relevant facts and applicable laws involved in penalties assessed by the uninsured employers unit.

B. Standards Bureau:

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The wage and hour program of the Investigations Unit provides both employers and employees with a forum in which to resolve wage claims, under the wage payment act, in a fair and expeditious manner. Program objectives include: ensuring a uniform enforcement policy in the administration of the Montana Minimum Wage and Overtime Act as well as wage claims under the Fair Labor Standards Act; administering in a fair and impartial manner the Little Davis Bacon Act (Prevailing Wage law) and preference for Montana labor portion of the act, and; providing employers and employees with correct and up-to-date information on the application of wage and hour laws.

The Regulations Section includes the Policy Compliance Unit, Restaurant/Bond and Child Labor Unit, Medical Regulations Unit, Subsequent Injury Fund and Silicosis Program.

The Policy Compliance program assures that employers make effective elections to be bound by compensation Plan No. I or II. It regulates Plan I & II carriers to ensure compliance with appropriate sections of the Workers' Compensation and Occupational Diseases Act and administrative rules of Montana. Program objectives include requesting and maintaining sufficient security deposits to ensure immediate availability of proceeds from security deposits in the event of financial problems.

The Restaurant/Bond and Child Labor program administers and enforces state and federal laws on child labor and restaurant, and tavern bonds.

EMPLOYMENT RELATIONS DIVISION

The Medical Regulations program provides: 1) effective and equitable methods of health care cost containment; 2) methods to establish better communications and education of medical providers, insurers and claimants as it relates to the medical regulations of workers' compensation; and 3) effective methods of dispute resolution for the impairment rating process. This unit also recruits physicians to participate in the impairment dispute resolution process and the occupational disease panels. Program objectives include researching alternative methods of medical cost containment for proposed legislation.

The Subsequent Injury program administers the Subsequent Injury Fund by providing an incentive to employers to hire vocational handicapped workers through effective fund management. The unit evaluates and approves or denies requests for certification, pays claims, and negotiates settlements. Program objectives include negotiating with insurer and claimant as needed to reach acceptable settlements and thereby minimize litigation.

The Silicosis Act program manages general fund appropriations by approving or denying applicants for Silicosis benefits and paying benefits to claimants in accordance with the law. Program objectives include the timely processing of status documents and reviews.

The Regulations Section also is responsible for regulating attorneys' fees by approving or denying attorney fee agreements in accordance with the law and administrative rules of Montana.

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The Uninsured Employers Fund program's mission is to enforce coverage requirements for all employers, to adjust all uninsured claims and assure effective management of the Uninsured Employers Fund. Program objectives include identifying uninsured employers, issuing cease and desist orders if uninsured employers refuse to comply with the law, and providing documentation to county attorneys to assist in the prosecution of those not complying.

BASE FUNDING

Dispute Resolution Bureau funding comes from several sources. A major source is the UI Administrative Tax levied on Montana employers at a rate of one tenth of one percent of the Montana Unemployment Insurance Tax rate. This fund source provides funding for activities of the collective bargaining unit of the Dispute Resolution Bureau, as well as some costs associated with the Board of Personnel Appeals. A second funding source is federal funding to cover unemployment insurance cases hearings and reviews conducted by the Board of Labor Appeals. This federal unemployment insurance funding comes to the division through the Unemployment Insurance Division of the department to cover program and administrative costs associated with enforcement of federal unemployment insurance statutes. A third funding source for the Dispute Resolution Bureau's programs is the Montana Workers' Compensation Administrative Assessment fee which is charged against workers' compensation insurers in the

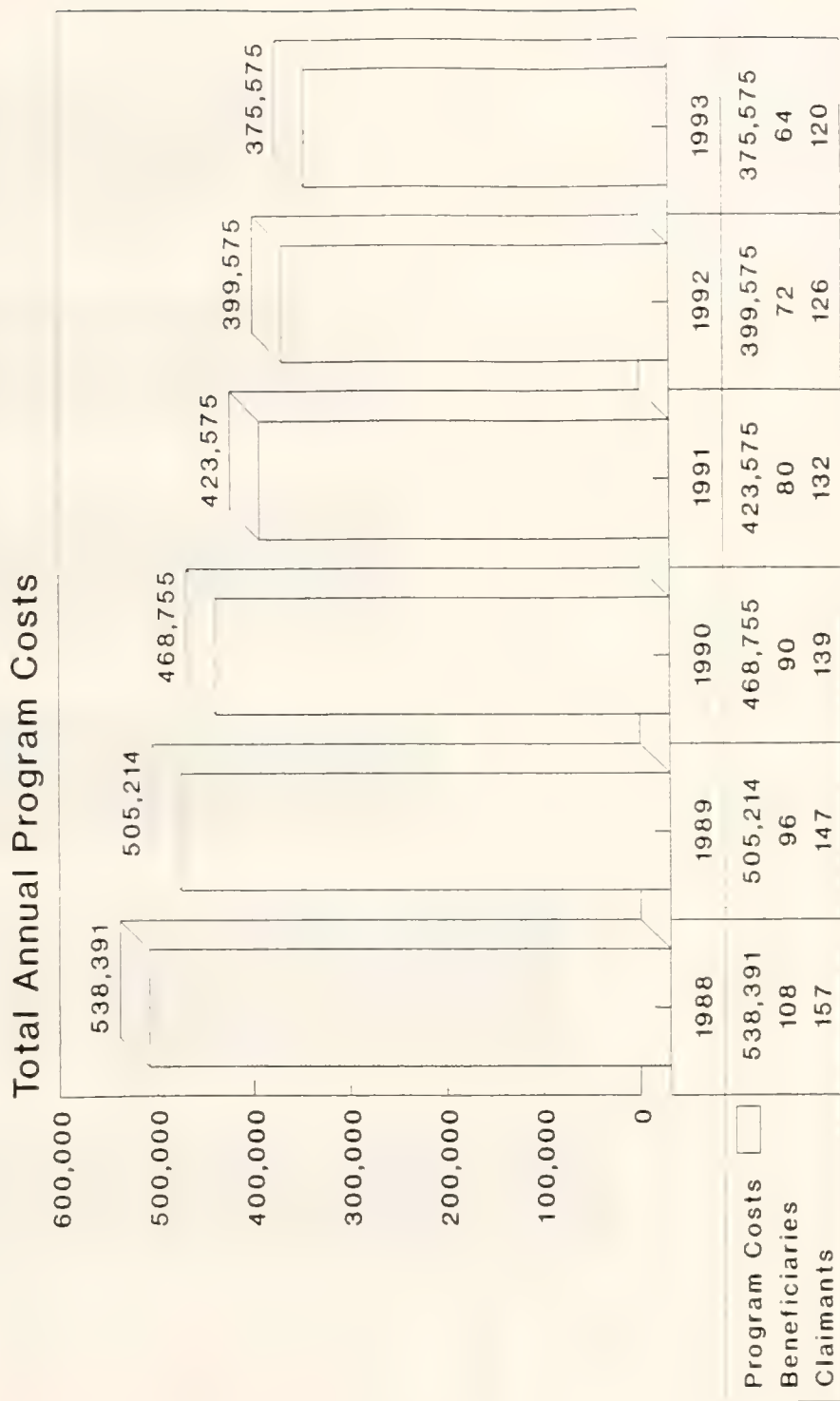
EMPLOYMENT RELATIONS DIVISION

state. This funding covers costs associated with activities of the files and claims management components of the Claims Resolution Unit, and workers' compensation case mediation costs of the Mediation Unit. A fourth funding source is the General Fund, which is used to cover recipient benefit payments associated with the Social Security Offset program. This diminishing program was created by legislative action to offset the impact of other state legislation on the social security benefits received by a small number of Montanans.

Standards Bureau funding comes from several sources already identified above. The first source is the UI Administrative Tax, funding that covers costs associated with the Prevailing Wage, Wage Claims, Child Labor and Restaurant, and other business bonds programs. The second source is the Montana Workers' Compensation Administrative Assessment fee, which supports the program activities of the Workers' Compensation Fraud, Medical Regulations, and Policy and Rehabilitation Compliance programs. The third source of funding is federal unemployment insurance funding, which---through the same transfer mechanism as described above---is provided to the Unemployed Insurers Fraud program. A fourth funding source is the General Fund, utilized to fund a Silicosis Act program established by legislative action. This diminishing program provides monthly payments to a small number of miners afflicted with silicosis, and their survivors. Finally, a fifth funding source is the Uninsured Employers Fund, created to provide ongoing funding for the Uninsured Employers program.

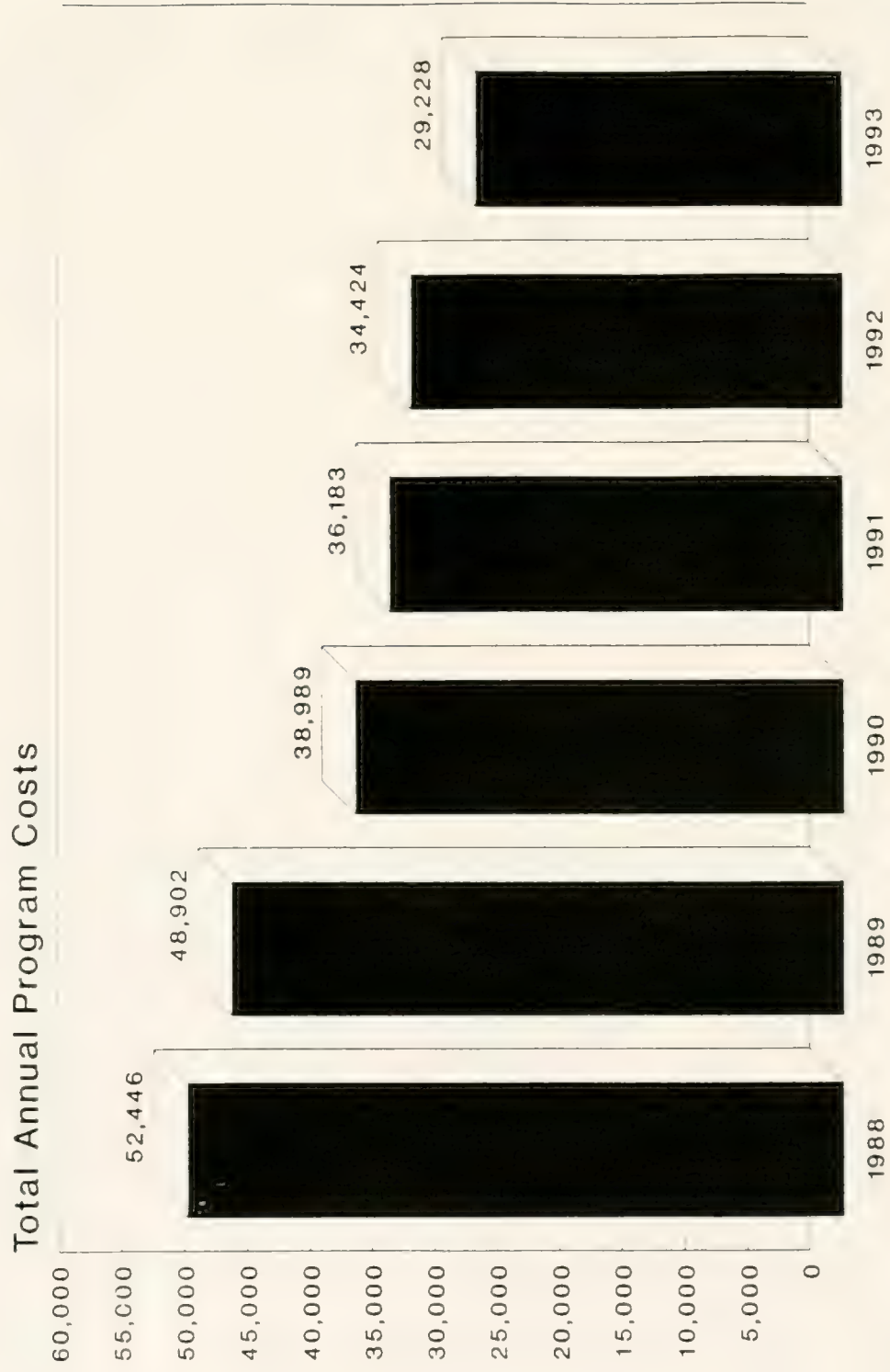
Montana Silicosis Program

Historic and Projected Fund Use



Claimants Receive \$200/Month
Beneficiaries Receive \$100/Month

Montana Social Security Offset Program Historic and Projected Fund Use



PERFORMANCE INDICATORS

	<u>FY 1990 Actual</u>	<u>FY 1991 Enacted</u>	<u>FY 1992 Base</u>	<u>FY 1993 Base</u>
Number of WC case settlement and advance orders issued	2,182	2,704	2,600	2,600
Number of claims processed through the occupational disease med panel	442	426	670	744
Number of miscellaneous orders issued	100	52	130	130
Uninsured Employers Fund Investigations	3,343	4,000	4,200	4,300
Employers Fined	641	750	800	800
Penalties	1,934,137	2mil.	2mil.	2mil.
Cease & Desist(Closure)orders	45	100	100	100
IC Exemptions	927	1,100	1,200	1,300

SUMMARY OF INCREASES OR DECREASES FROM BASE

Title	Fiscal 1992		Fiscal 1993	
	Reallocation:		FTEs	
			5	5
			=====	=====

Five FTE were reallocated from different divisions. Two FTEs were transferred from UID and are required to perform the new Accident Cataloging responsibilities, which were received as a result of the reorganization of Workers' Compensation. Three FTEs were acquired from CSD and are required to perform the added UEF Auditing responsibilities.

Reorganization:	\$259,538	\$254,941
	=====	=====

The budgets for the above FTEs were transferred to the division. The budget for the division was then adjusted to reflect the increases in the original base.

#1000	\$118,677	\$118,401
#2000	\$140,647	\$136,326
#3000	\$ 214	\$ 214

Base Reductions:	(\$ 88,775)	(\$117,971)
Benefits:	=====	=====

The decrease is due to projection of deaths among current clients served through Social Security Offset and Silicosis benefits programs, which will result in a projected reduction in need for benefit dollars for fewer clients.
#7000 (\$ 88,775) (\$117,971)

LEGAL SERVICES DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	18.00	18.00	18.00	.00	18.00	18.00	.00	18.00
Personal Services	494,879.76	560,672	587,045	1,350	588,395	586,507	1,344	587,851
Operating Expenses	203,895.30	198,889	201,327	49,486	250,813	200,984	50,294	251,278
Equipment	46,857.67	6,143	5,988	-566	5,422	5,988	-404	5,584
Total Agency Costs	\$745,632.73	\$765,704	\$794,360	\$50,270	\$844,630	\$793,479	\$51,234	\$844,713
State Special Revenue Fund	218,759.15	208,654	212,043	28,973	241,016	210,850	30,070	240,920
Federal Special Revenue Fund	405,420.84	426,584	446,837	21,003	467,840	447,111	20,895	468,006
Proprietary Fund	121,452.74	130,466	135,480	294	135,774	135,518	269	135,787
Total Funding Costs	\$745,632.73	\$765,704	\$794,360	\$50,270	\$844,630	\$793,479	\$51,234	\$844,713

OVERVIEW

The Legal Services Division provides legal services to the Department of Labor and Industry and contested case hearings to the State, the Department, employers and employees. Legal services include managing all Department legal matter, including appeals, lawsuits, legislative issues, interpretation of federal regulations and legal opinions. Contested case hearings are provided for matters involving unemployment insurance, wage and hour, collective bargaining and workers compensation issues.

GOALS

To manage Department litigation.

To provide legal counsel to all the divisions within the Department.

To settle and/or determine initial disputes through an impartial hearing process.

AUTHORIZATION

Federal

40 USC Sec.

276a, et seq. Federal Davis-Bacon Act

40 USC Sec.

351, et seq Service Contract Act

29 USC Sec.
201, et seq.

Fair Labor Standards Act

29 USC Sec.

259, et seq. Portal to Portal Act

29 USC Sec.

1001, et seq.

Employee Retirement
Security Act (ERISA) Income

11 USC Sec.

1001, et seq. Federal Bankruptcy Code

29 USC Sec.

151, et seq. National Labor Relations Act

29 USC Sec.

141, et seq.

Labor Management Relations Act;
Federal EEO Acts; Civil Rights
Act; and Federal Unemployment
Insurance

29 USC Sec.

49, et seq.

Wagner-Peyser Act (Federal
employment Service)

29 USC Sec.

1501, et seq. Job Training Partnership Act

State

Title 39, MCA

Montana's Labor Laws

39-2-101 MCA

Employment & Labor Laws

39-3-101 MCA

Wage and Hour laws

39-3-401 MCA Minimum Wage and Overtime Act
 39-3-601 MCA Restaurant, Bar & Tavern Act
 39-31-101 MCA Collective Bargaining for Public Employees
 39-71-101 MCA Workers Compensation Laws
 39-72-101 MCA Occupational Disease Act
 39-51-101 MCA Unemployment Insurance laws
 18-2-401 MCA Montana's Little Davis-Bacon Act

BASE PROGRAM

The Legal Services Division (LSD) is a new division. It was created during the 1989 Department reorganization precipitated by the separation of the State Insurance Fund from the old Workers Compensation Division.

The Legal Services Division is comprised of the Legal Unit and the Hearings Unit. The Legal Unit was formerly an independent unit attached to the Commissioner's Office. The Hearings Unit was previously the Appeals Bureau and located within the Employment Relations Division. Legal and hearings staff from the former Workers' Compensation Division were also transferred to LSD. The total number of LSD FTE is 18.00.

The 1987 statutory amendments resulted in an increase in the Department's workers compensation caseload. The 1989 statutory amendments, which

reorganized workers compensation functions and transferred workers compensation regulatory functions to the Department, has also increased LSD's workload and responsibilities. Supreme Court decisions affecting workers compensation and labor standards will require more time and greater expertise on the part of LSD staff. Finally, the increase in minimum wage will impact LSD with a projected 15% increase in workload.

BASE FUNDING

LSD is supported by four funding sources. Cost Allocation Plan assessments provide part of the funding. The CAP assessment is accounted for in the proprietary fund. Federal unemployment insurance funds support the costs of unemployment insurance benefit appeals. Unemployment Insurance administrative tax monies fund the work of personnel appeals. Workers compensation state special revenue monies support the remainder of the staff.

PERFORMANCE INDICATORS

	FY 1990 <u>Actual</u>	FY 1991 <u>Enacted</u>	FY 1992 <u>Base</u>	FY 1993 <u>Base</u>
<u>Legal Unit:</u>				
Cases Received	120	120a	120a	120a
Cases Closed	115	115	115	115
Existing Caseload	150	155	160	165
<u>Hearings Unit:</u>				
UI Benefits*				
Cases Opened	1,699	1,860	1,860	1,860
Cases Closed	1,674	1,850	1,850	1,850
Existing Caseload	144	154	164	174
UI Tax				
Cases Opened	28	30	30	30
Cases Closed	27	27	27	27
Existing Caseload	22	25	28	31
Workers Compensation				
Cases Opened	300	330	360	400
Cases Closed	232	250	230b	230b
Existing Caseload	126	206	336	506
Other				
Cases Opened	271	300	330	360
Cases Closed	315	320	300b	300b
Existing Caseload	148	128	158	218
Total Cases Opened	2,298	2,520	2,580	2,650
Total Cases Closed	2,248	2,447	2,407	2,407
Total Existing Caseload	440	513	686	929

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a. On average, the Legal Unit receives 120-125 new cases annually. This total does not include an anticipated increase of caseload from the following sources:

1. SB 428 - Workers Compensation Division reorganization -- 10% of all dockets of the Hearings Unit are appealed to Workers Compensation Court - 30 cases.
2. Recently revised minimum wage law and revised application of the Federal Fair Labor Standards Act in Montana - 20 cases.
3. Other cases not originating in the Hearings Unit but inherited by the Legal Unit from other Workers Compensation areas. Issues include rehabilitation, uninsured employers, subsequent injury fund, constitutional challenges and bankruptcy of plan 1's - 55 cases.

SUMMARY OF INCREASES OR DECREASES FROM BASE

<u>Title</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Base Adjustments			
Fixed			
	Increase in statutory benefit rates	\$ 1,350 =====	\$ 1,344 =====
	Reorganization	\$ 48,920 =====	\$ 49,890 =====

The division was formed from various other work units. The budget allocated for FY90 was based on FTEs instead of actual need. Therefore, the budget has been adjusted to reflect the needs of the new division based on actual FY90 information. The increase reflects the request for court reporters and the cost for data processing.

#2000 \$ 48,920 \$ 49,890

RESEARCH, SAFETY AND TRAINING DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	47.00	69.50	69.50	-10.00	59.50	69.50	-10.00	59.50
Personal Services	1,798,697.91	1,987,861	2,002,381	-289,935	1,712,446	2,001,913	-289,644	1,712,269
Operating Expenses	1,191,982.60	1,417,794	1,407,123	-402,209	1,004,914	1,404,120	-417,054	987,066
Equipment	142,142.90	247,630	247,630	-150,801	96,829	247,630	-138,333	109,297
Total Agency Costs	\$3,132,823.41	\$3,653,285	\$3,657,134	\$-842,945	\$2,814,189	\$3,653,663	\$-845,031	\$2,808,632
State Special Revenue Fund	687,507.24	671,184	690,802	56,812	747,614	693,067	55,544	748,611
Federal Special Revenue Fund	2,445,316.17	2,982,101	2,966,332	-899,757	2,066,575	2,960,596	-900,575	2,060,021
Total Funding Costs	\$3,132,823.41	\$3,653,285	\$3,657,134	\$-842,945	\$2,814,189	\$3,653,663	\$-845,031	\$2,808,632

OVERVIEW

The Research, Safety and Training Division (RSTD) provides planning and administrative functions for employment, job training and safety activities in the Department of Labor and Industry. The division is organized into three bureaus: Apprenticeship and Training (A&T), Research and Analysis (R&A), and Safety.

The A&T Bureau administers several employment and training programs including Apprenticeship, Displaced Homemakers and Job Training Partnership Act (JTPA). The New Horizons Program terminated June 30, 1990. JTPA provides training opportunities for economically disadvantaged people and those with barriers to employment, such as unskilled adults, youth and dislocated workers. The bureau functions as the administrative entity and staff for the State Job Training Coordinating Council (JTCC). In this capacity bureau staff are responsible for preparing the Governor's Coordination and Special Services Plan and coordinating it with other social services agencies' plans. In addition A&T acts on behalf of the governor as the grant recipient and administrative entity for the Economic Dislocation and Worker Adjustment Assistance Act. The bureau also serves as the state registration agency for Apprenticeship Programs and staff for the Apprenticeship Advisory Council.

The R&A Bureau develops data and statistics, conducts surveys and studies, charts and forecasts trends and publishes information

regarding employment and unemployment in Montana.

The Safety Bureau is responsible for administering the state's industrial safety laws which involve inspecting work sites in mining operations, public agencies and sites where steam boilers are operating. The bureau assures that crane/hoist/boiler operators and blasters are licensed and that coal mine foremen are certified.

GOALS

The Research, Safety and Training Division's Apprenticeship and Training Bureau (A&T) has the dual role of administering Montana's JTPA statewide job training programs and Apprenticeship Program. It is the goal of the state JTPA programs to prepare youth and unskilled adults for entry into the labor force by providing job training to economically disadvantaged individuals facing serious barriers to employment and who are in special need of such training to obtain productive employment. The goal of the Apprenticeship Program is to train the proper number of people to sustain a continuing program of recruitment of new skilled workers to meet the needs of Montana's industries.

The Research and Analysis Bureau's (R&A) goal is to collect and disseminate federal and state labor market information through cooperative agreements.

The Safety Bureau's goal is to minimize accidents and injuries to the greatest extent possible in the public sector by complying with the intent of the Montana Safety Act and to further support federally OSHA-funded voluntary safety programs in the private business sector.

AUTHORIZATION

Public Law
97-307

The Job Training Partnership Act of 1980 permanently authorized job training and related assistance to economically disadvantaged individuals, dislocated workers and others who face barriers to employment.

39-6-101
to 107, MCA

The Apprenticeship Act of 1941 assigned responsibility of Apprenticeship Program administration to the Department of Labor and Industry and established standards for apprenticeship agreements between an employer and an apprentice.

50-71-
101, MCA

The Montana Safety Act assigns responsibility et.seq. MCA to the Department of Labor and Industry to inspect hazardous work-places and issues orders to provide a safe work environment.

50-72-
101, MCA

The Metallic/Nonmetallic Safety Law authorizes the department to conduct inspections and investigations of surface and underground mines and requires compliance with health and safety standards or orders.

50-73-
101, MCA

The Montana Coal Mining Code authorizes the department to conduct quarterly inspections of coal mines and to order corrections of work-place hazards.

50-74-
101, MCA

The Boiler Inspection and Licensing Law requires the department to inspect boilers and to examine and license qualified boiler operators.

50-76-
101, MCA

The Hoisting and Crane Operators License Law authorizes the department to require crane and hoist operators to be examined and licensed.

37-72-
101, MCA

The Construction Blasting Law authorizes the department to require that construction blasters satisfy training and experience requirements and be

issued construction blasters' licenses.

BASE PROGRAM

Originally, the Employment Policy Division (renamed Research, Safety and Training Division 07-01-90) of the Department of Labor and Industry was established to act on behalf of the Governor as the statewide grant recipient and administrative entity for JTPA Title III and the 22% portion of JTPA Title IIA funds administered by the Job Training Coordinating Council (JTCC). RSTD was also selected by both the Balance-of-State (BOS) and the Concentrated Employment Program (CEP) Service Delivery Areas (SDAs) to serve as administrative staff for their portion of the Title II funding.

On February 14, 1990, the BOS and CEP Private Industry Councils and Councils of Commissioners elected to create a new private non-profit corporation called Montana Job Training Partnership, Inc., (MJTP) to serve as their administrative entity for SDA JTPA programs. Administrative duties for the BOS and CEP SDAs are performed by MJTP. The Apprenticeship and Training Bureau, however, continues to act as administrative entity and grant recipient for:

1. Statewide 5% funds
2. 8% Education/Coordination
3. 3% Older Worker Program
4. 6% Incentives and Technical Assistance Program
5. Title IVC Veterans Program

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6. Governor's portion of the JTPA Title III Program for Dislocated Workers
7. State Displaced Homemaker Program

Federal regulations also require the statewide administrative entity to continue to act as the SDAs' JTPA grant recipient and to use administrative staff to monitor SDA operations.

The state Apprenticeship Program is a formal system of on-the-job training supplemented by related technical instruction (classroom) in which the apprentice learns skills by doing and earns wages while he or she learns. The staff collects and monitors information concerning all registered apprenticeship programs. They also develop and service apprenticeship programs statewide in accordance with state law and regulations.

The Research and Analysis (R&A) Bureau is a statistical and economic information collecting and distributing agency. Surveys are conducted continuously to collect state and area-specific data which is used nationally by the federal government to create national labor market statistics and locally by planners, businesses, state agencies and job training programs to serve targeted groups of unskilled and unemployed workers around the state. This is primarily accomplished through distribution of over 69,000 publications each year. Information from R&A's programs is also used to allocate federal funds, evaluate Montana's economic status, and to determine occupational profiles, industry employment, wages and hours worked, and unemployment insurance minimum and maximum

benefit amounts, etc. Within the R&A Bureau are twelve major programs:

1. Current Employment Statistics (CES)
2. Local Area Unemployment Statistics (LAUS)
3. Occupational Employment Statistics (OES)
4. Employment, Wages and Contributions (ES-202) and Business Establishment List (BEL)
5. Mass Layoff Statistics (MLS)
6. State/Local labor market information (ETA)
7. Job Training Coordinating Council labor market information (JTPA R&A 6%)
8. Unemployment Insurance Research (UI)
9. Prevailing Wage Survey (PW)
10. State Occupational Information Coordinating Committee (SOICC)
11. Agricultural Survey wage rates (JSD)
12. Occupational Safety and Health Statistics (OSH)

The Safety Bureau was added to the Research, Safety and Training Division beginning FY91. The Safety Bureau conducts safety inspections of work-sites in coal mining, metal/nonmetal mining and public agencies. Safety inspections are conducted for steam and hot water boilers. On-site safety consultation is provided for employers requesting this service. Miners are provided with safety training and coal mine foremen are safety certified. Crane--hoist--boiler operator applicants and blasters applicants meeting training and experience requirements are tested and licensed.

Program objectives for RSTD include:

1. Research & Analysis Bureau:

To operate twelve major contracts in the R&A Bureau for funding agencies by providing 90 percent of necessary data by established deadlines.

2. Apprenticeship & Training Bureau:

To assist in Montana's economic development by expanding structured work-based training programs that will develop adequate workers. If Montana is to be competitive in the global marketplace we must invest in our most important resource "Our People." This concept will be promoted by providing training for apprenticeship classroom instructors.

To explore options for assisting small and mid-size firms in sponsoring training programs. Grants will be pursued to provide funding to assist employers in effectively training and retraining their workers in all trades.

To develop strategies for stronger interventions to help youth, including potential school dropouts and the young, working poor to develop successful careers. Equal Employment Opportunities and Affirmative Action will be promoted and monitored to encourage participation.

To market apprenticeship programs as a method of preparing workers to use independent judgement as well as analytical interpersonal skills to do their job.

To maintain and serve the current registered apprenticeship programs and to promote the concept of apprenticeship to potential sponsors.

*See Program 50 for JTPA Statewide program objectives.

3. Safety Bureau:

To conduct annually 150 on-site industrial safety and health consultations for private sector employers requesting this service.

To inspect and provide annual safety consultation at 800 work-sites for public employers.

To assist 200 firms annually in safety and training programs.

To inspect 1,200 boilers annually that are not insured and those that are insured with lapsed inspection dates to evaluate their safety.

To examine 540 crane/hoist/boiler operator and blaster applicants annually that are otherwise qualified

and to license these applicants if they successfully pass the examination.

To inspect all coal mines quarterly.

To inspect 150 metal/nonmetal mines and related industries at least annually.

To provide annual safety training for 1,800 miners.

To examine and certify all qualified coal mine foremen requesting certification.

BASE FUNDING

The U.S. Department of Labor allocates federal JTPA funds to Montana through the governor. JTPA program administration has now been split between the state (RSTD) and the SDAs' private non-profit corporation, MJTP. RSTD receives federal funds for two JTPA programs:

1. Program 50 -- serves as the federal grant recipient for Montana's JTPA Title IIA, IIB and III funds and pass-through for MJTP's administrative funds and for SDA program operator funds.

2. Program 07 -- provides administrative staff for RSTD's statewide oversight of JTPA activities.

At the statewide level, 22% of the Title IIA funds will be under the jurisdiction of the Job Training Coordinating Council (JTCC). These

funds consist of the following:

1. 8% education grants
2. 5% governor's coordination programs (JTCC, WIEAC, audits)
3. 3% older workers programs
4. 6% incentive and technical assistance grants

Statewide JTPA administration is funded by 5% Title IIA funds and 6.5% of the 8% and 3% additional Title IIA fund sources. The remaining 78% of Title IIA funds will be passed through Program 50 to MJTP, the administrative entity for the BOS and CEP SDAs. In addition, the SDAs will receive 100% of the Title IIB Summer Youth Employment and Training Program funds.

In FY90, Title III was replaced by the Economic Dislocated and Worker Adjustment Assistance Act effective July 1, 1989. Under this Act, 40% of the funds will be used to operate statewide programs, Rapid Response activities and special projects at the governor's discretion. RSTD receives 6.5% of the Act's 40% funds for program administration. The remaining of 60% the funds are allotted to sub-state areas (SDAs) for dislocated worker programs.

The A&T Bureau's Apprenticeship Program receives its funding from the UI Administrative Tax. One tenth of 1 percent of the Unemployment Insurance tax rate has been designated as an Administrative Tax to fund various state employment activities including the Apprenticeship Program.

The R&A Bureau is primarily funded by performance

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contracts received from the Bureau of Labor Statistics (BLS - U.S. Department of Labor), the National Occupational Information Coordinating Committee (NOICC), Job Training Partnership Act (JTPA), Unemployment Insurance Division, Job Service Division and Workers' Compensation State Fund. R & A's Prevailing Wage Survey is funded completely by UI Administrative Tax revenues.

Safety Bureau funding comes from various sources. The first source is the Montana Workers' Compensation Administrative Assessment fee charged against workers' compensation insurers in the state. Funding is also provided by fees paid for issuance of license to boiler/crane/hoist operators and blasters. The other sources are federal funding through an on-site consultation agreement with the Occupational Safety and Health Administration and a miners training grant with the Mining Safety and Health Administration.

PERFORMANCE INDICATORS

	FY 1990 <u>Actual</u>	FY 1991 <u>Enacted</u>	FY 1992 <u>Base</u>	FY 1993 <u>Base</u>
Research & Analysis Bureau:				
Deliver 90% of required data within established deadlines	100%	90%	90%	90%
Apprenticeship & Training Bureau:				
New apprenticeship programs established	96	75	80	80
New apprentices registered	327	260	260	260
Contacts with potential apprenticeship sponsors	353	300	300	300
Number of registered apprenticeship programs with active participants in training	279	285	285	285
Safety Bureau:				
Number of industrial safety and health on-site consultations	127	150	160	160
Number of employers provided with safety and training assistance	345*	150	150	150
Number of public sector safety inspections	527	600	600	600

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RESEARCH, SAFETY AND TRAINING DIVISION

Number of boilers inspected
(insured and uninsured) by
state inspectors

Number of crane/hoist/boiler
operator applicants and blasters
examined and licensed

Number of coal mines and coal mine
contractor inspections

Number of miners trained
in work-place safety

Number of coal mine foremen
examined and certified

Number of metal/nonmetal
mines inspected

1,274	1,200	1,200	1,200
627	600	600	600
61	60	60	60
1,574	1,600	1,600	1,600
35	30	30	30
146	150	150	150

* Substantial changes for FY 90-91-92-93 are a reflection of shifting five (5) safety consultants to the State Compensation Mutual Insurance Fund, due to departmental reorganization on January 1, 1990.

NOTE: The Apprenticeship and Training Bureau's JTPA statewide performance indicators are included in Program 50.

SUMMARY OF INCREASES AND DECREASE FROM BASE

<u>Title</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1992</u>
Reorganization: Privatization		(\$842,945)	(\$845,031)

RSTD no longer performs the administration functions for the Balance-of-State (BOS) and Concentrated Employment Programs (CEP). These functions are now being performed by Montana Job Training Partnership (MJTP). The reduction in FTE and corresponding budget are a direct result of the establishment of MJTP, which was once a portion of RSTD. The reductions are as follows:

FTE	(10)	(10)
1000 Personal	(\$289,935)	(\$289,644)
2000 Operating	(\$402,209)	(\$417,054)
3000 Equipment	(\$150,801)	(\$138,333)

HUMAN RIGHTS COMMISSION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	9.84	9.00	9.00	.00	9.00	9.00	.00	9.00
Personal Services	246,092.05	264,389	263,098	4,208	267,306	263,264	4,198	267,462
Operating Expenses	105,313.60	94,819	95,258	12,806	108,064	95,577	12,911	108,488
Equipment	6,512.00	0	0	4,000	4,000	0	4,000	4,000
Total Agency Costs	\$357,917.65	\$359,208	\$358,356	\$21,014	\$379,370	\$358,841	\$21,109	\$379,950
General Fund	259,440.01	256,508	265,656	10,853	276,509	266,141	10,949	277,090
Federal Special Revenue Fund	98,477.64	102,700	92,700	10,161	102,861	92,700	10,160	102,860
Total Funding Costs	\$357,917.65	\$359,208	\$358,356	\$21,014	\$379,370	\$358,841	\$21,109	\$379,950

OVERVIEW

The Human Rights Commission is provided for in § 2-15-1706, MCA and is allocated to the Department of Labor and Industry for administrative purposes. The Commission enforces the Montana Human Rights Act (Title 49, Chapter 2, MCA) and the Governmental Code of Fair Practices (Title 49, Chapter 3, MCA) through investigations, conciliation, hearings, and education.

GOALS

To eliminate discrimination in employment, housing, public accommodations, financing and credit transactions, insurance, education, and government services by:

- 1) Adjudicating and resolving complaints of discrimination filed with the Commission through investigation, mediation and conciliation, and hearings (these activities are provided for in control variable 0800000); and
- 2) Educating the public about the laws prohibiting discrimination to promote voluntary compliance (these activities are provided for in control variable 0808102).

AUTHORIZATION

§ 2-15-

DEPARTMENT OF LABOR AND INDUSTRY

50

1706, MCA

Establishes the Commission, provides for allocation to the Department of Labor and Industry for administrative purposes.

Title 49, Chapter 2, MCA

The Montana Human Rights Act prohibits discrimination in employment, housing, public accommodations, financing and credit transactions, insurance, education, and government services based on race, creed, religion, color, national origin, age, handicap, marital status, familial status, sex and political belief. The Act provides for enforcement by the Commission.

Title 49, Chapter 3, MCA

The Governmental Code of Fair Practices prohibits discrimination by state and local governmental agencies in employment, employment referrals and placement services, educational, counseling, and training programs, licensing, governmental services, distribution of governmental funds, and public contracts, based on the same factors as those contained in the Human Rights Act. The Code provides for enforcement by the Commission.

42 USC §
2000e-3(b)

Provides for cooperative work-

HUMAN RIGHTS COMMISSION

sharing between the Commission and the U.S. Equal Employment Opportunity Commission (EEOC) when the agencies have overlapping jurisdiction of employment discrimination cases.

42 USC §
3616

Provides for cooperative work-sharing between the Commission and the U.S. Department of Housing and Urban Development (HUD) when the agencies have overlapping jurisdiction of housing discrimination cases.

BASE PROGRAM

The Human Rights Commission is responsible for enforcement of state laws which prohibit discrimination on the basis of race, creed, religion, color, national origin, age, handicap, marital status, familial status, sex, and political belief in employment, housing, public accommodations, financing and credit transactions, insurance, education, and government services. These laws were enacted by the Legislature, in part, to implement Article II, Section 4 of the Montana Constitution.

The Act requires the Commission staff to conduct investigations of complaints and to attempt to resolve complaints and eliminate discrimination through conciliation. If complaints cannot be resolved by the staff, the Commission, which is a quasi-judicial board as provided in § 2-15-124,

MCA, holds hearings on the complaints, usually using a hearing examiner. The hearings are governed by the contested case provisions of the Montana Administrative Procedure Act. The Commission acts as a neutral adjudicator of the dispute between the parties but, once the Commission has made a finding that illegal discrimination occurred, it attempts to further the interest of the state in eliminating discrimination.

Under base funding, the objectives of the Commission and its staff are to manage the Commission's caseload within current level funding by conducting the initial investigation and mediation of 320 new complaints filed with the Commission per year and completing 280 cases per year. The Commission also proposes to continue to provide technical assistance in compliance with the law to approximately 400 employers, landlords, and others who request such assistance by phone or in writing.

The law also requires the Commission to engage in "enforcement and education programs which seek to eliminate all discrimination." § 49-3-301, MCA. Under base funding the Commission will print and distribute a minimum of five brochures and one poster to educate the public about the requirements of the law. The focus of the materials will be to assist employers and others to remain in compliance with the law.

BASE FUNDING

The Commission's base program is funded by a mix

of general fund and federal funds. Because of the overlapping jurisdiction between state law and the federal laws administered by EEOC and HUD, the Commission has work-sharing agreements with those agencies. These agreements provide for the federal agencies to pay the Commission a flat fee per case for processing cases which fall within the jurisdiction of both the Commission and one of the federal agencies. The federal agencies also fund attendance by Commission staff at training sponsored by the federal agencies out of state.

Because of the volatility of funding at the federal level, the Commission's funding from the EEOC may decline during the 1992-93 biennium. For a number of years, EEOC's appropriation for contracting with state agencies has remained at approximately \$20 million per year. At the same time, EEOC has continued to certify new state and local agencies to participate in the program, thereby reducing the level of available funding proportionately to all agencies. In addition, the potential for Gramm-Rudmann cuts affects this program. The Commission has already felt the effects of this trend in FY90. When the Commission developed its revenue estimates for the 1990-91 biennium, we anticipated being able to contract with EEOC for 190 cases per year at a rate of \$400 cases per year. When EEOC issued its contracts for federal FY90, the Commission's contract was for only 163 cases, a reduction of \$10,800. The Executive Budget assumes continuation of federal funding at the FY91 appropriated level.

The Commission's funding for the 1992-93 biennium

also includes \$23,500 per year from HUD. Because of changes enacted to the federal Fair Housing Act in 1988, significant changes are required to Montana law if the Commission is to remain eligible to receive any funding from HUD after January 1992. See the Fair Housing Amendments Act of 1988, as codified at 42 USC § 3610(f) and HUD's implementing regulations at 24 CFR Part 115 (Federal Register, January 23, 1989). The Commission has proposed legislation in the 1991 Montana Legislature to maintain its substantial equivalency with HUD for purposes of continued funding. If such legislation is not enacted, however, the federal funds available to offset the amount of general fund required for the Commission's base would decline by an estimated \$23,500 per year.

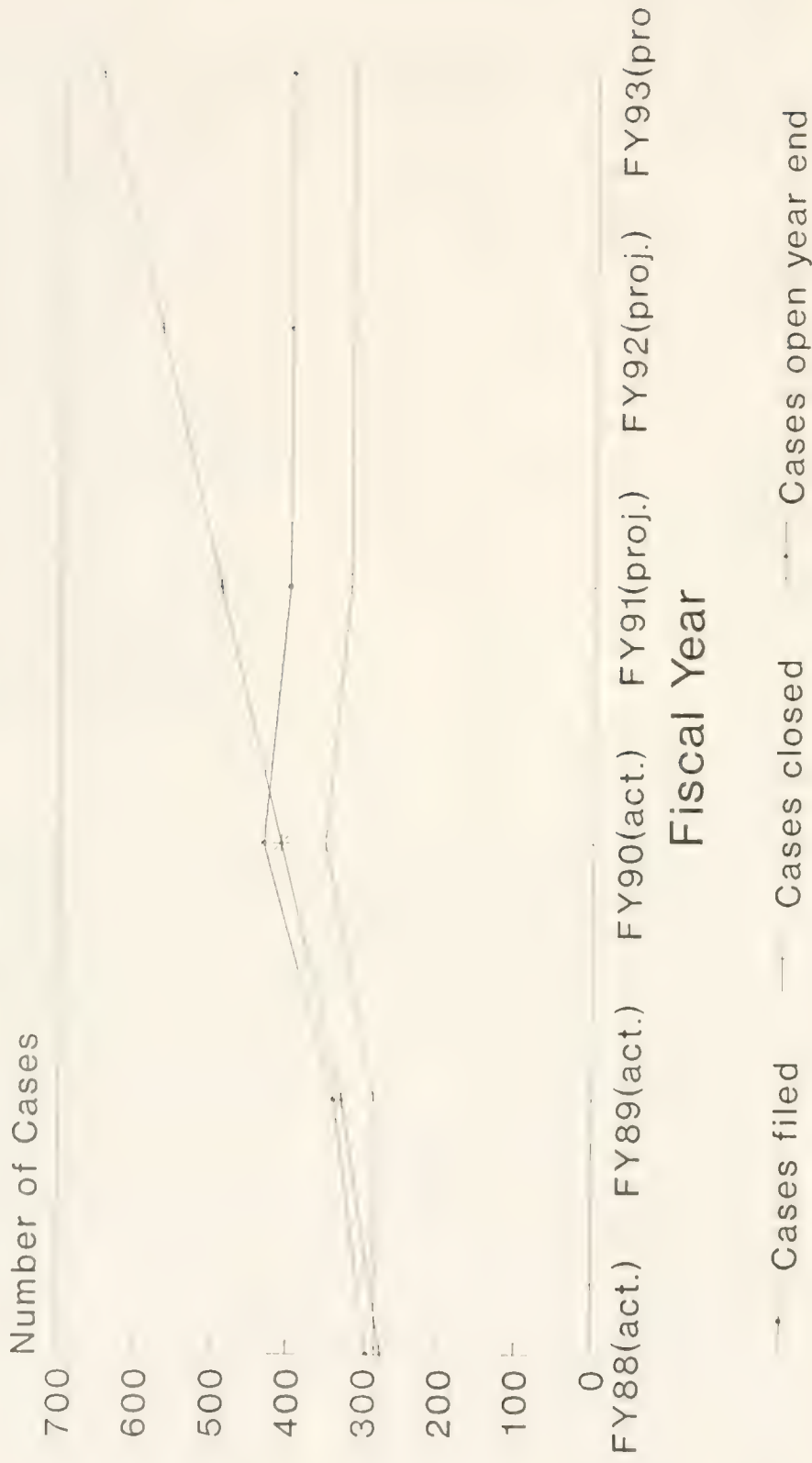
PERFORMANCE INDICATORS

	<u>FY 1990 Actual</u>	<u>FY 1991 Enacted</u>	<u>FY 1992 Base</u>	<u>FY 1993 Base</u>
Inquiries	2,536	1,500	2,400	2,400
Cases filed	433	300	400	400
Cases closed	351	280	320	320
Cases open at fiscal year end	410	335	570**	650
Responses to requests for technical assistance	400	360	400	400
Voluntary Compliance Pamphlets, brochures developed, printed	6	6	6	6

** The figures for cases open at the end of FY92 and FY93 assume that 400 cases per year are filed in FY91, FY92, and FY93. They also assume that, at base funding, the Commission is able to complete 320 cases per year. The filing levels are greater than the estimates provided to the 1989 legislature but are realistic in light of recent increases in filing which have occurred despite the commission's success in screening out unfounded complaints at the initial inquiry stage. The completion levels are also greater than the estimates provided to the 1989 legislature. Historically, the commission has been able to complete 280 cases per year at the base funding level. The commission has been working to streamline its processing in order to increase the number of cases it is able to complete with base funding and has achieved some increased productivity as a result.

Human Rights Commission

Caseload Statistics



SUMMARY OF INCREASES AND DECREASES FROM BASE

<u>Title</u>	<u>Explanation</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Modification: Equipment:		\$ 4,000 =====	\$ 4,000 =====

The Commission is making a request for the remaining personal computers. During the 90/91 biennium, the Commission was given the authority to perform the much needed office automation. However, the project was to include the 92/93 biennium. Therefore, this request is for a personal computer to be purchased each year in order to complete the office automation.
#3000 \$ 4,000 \$ 4,000

Readjustments: Base:		\$ 4,208 =====	\$ 4,198 =====
-------------------------	--	-------------------	-------------------

The increase is due to an anomaly in the "snapshot" that was taken to determine the appropriate information from PPP. This "snapshot" had a step 10 classified as a step 2, due to a temporary hiring and reallocation of a present employee to a budget amended position which reduced the authority level required to meet projected personnel expenditures for the 93 biennium.
#1000 \$ 4,208 \$ 4,198

Base:		\$ 12,806 =====	\$ 12,911 =====
-------	--	--------------------	--------------------

The requested increase reflects the need to contract for a hearing examiner, for the required local area network support from the Department of Administration for the new office automation and for the increase in the cost allocation plan which had to be revised under the department's reorganization.
#2000 \$ 12,806 \$ 12,911

WORKERS' COMPENSATION JUDGE

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
	8.00	8.00	8.00	.00	8.00	8.00	.00	8.00
Operating Expenses	230,915.59	251,322	251,377	2,006	253,383	253,529	2,005	252,534
Equipment	81,228.90	79,059	80,722	10,891	91,613	82,321	10,650	92,971
	2,770.00	0	0	5,600	5,600	0	5,600	5,600
Total Agency Costs	\$314,915.49	\$330,381	\$332,099	\$18,497	\$350,596	\$332,850	\$18,255	\$351,105
State Special Revenue Fund	314,915.49	330,381	332,099	18,497	350,596	332,850	18,255	351,105
Total Funding Costs	\$314,915.49	\$330,381	\$332,099	\$18,497	\$350,596	\$332,850	\$18,255	\$351,105

2914

The workers' compensation act.

39-72-612

Appeal from an order regarding an occupational disease determination.

BASE PROGRAM

It is the responsibility of the Workers' Compensation Judge to: (1) adjudicate disputes arising from workers' compensation claims between employees and insurance carriers; (2) act as an appeals court from decisions of the Department of Labor and Industry regarding Occupational disease and other workers' compensation issues for which the department has administrative hearing responsibility and (3) conduct trials for issues which arise as the result of a dispute regarding a determination of an impairment panel.

It is important to understand that an appeal from the Workers' Compensation Judge goes directly to the Montana Supreme Court. Further, as the sole court with jurisdiction for workers' compensation matters in Montana, the Court travels statewide to conduct trials. Recent changes in the workers' compensation act, as well as recent decisions by the Montana Supreme Court are impacting the Court's workload. One result of these legislative changes and the Supreme Court decisions is that the Court amended the court rules effective May 1, 1990.

The Court assumes an increase in its workload due to the legislative changes in the workers' compensation act during the 1987, 1989, and special 1989 sessions.

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WORKERS' COMPENSATION JUDGE

OVERVIEW

The Workers' Compensation Judge provides the forum for Montana's employees, employers and the insurance industry to resolve disputes arising out of work related injuries and occupational disease. Through the promulgation of rules the public is provided with information on the procedures to follow before the Court. The Court staff schedules the time and place for trials and pre-trials, answers questions from the general public, provides information regarding various decisions and rulings, and generally attempts to be responsive and prompt in its work. The Court is attached to the Department of Labor and Industry for administrative purposes.

GOALS

To provide legally concise, fair and prompt decisions in matters brought before the Workers' Compensation Judge.

To be responsive to inquiries regarding the court's rules and decisions.

To schedule matters in a timely matter.

AUTHORIZATION

2-15-

1014 MCA

Office of the Workers'
Compensation Judge--
allocation--appointment--salary.

39-71-2901 to

DEPARTMENT OF LABOR AND INDUSTRY

The judge and a hearing examiner travel statewide to conduct trials. Prior to a trial a party is required to petition the Court for relief in accordance with Court rules. The clerk of court maintains a Register of Actions in which all of the pleadings received by the Court are docketed. The clerk issues orders which schedule the trial and pretrial conference. Prior to any trial a hearing examiner travels statewide, meeting with the parties and conducting pretrial conferences. In the time between the filing of a petition and a decision, the Court frequently must issue interim orders regarding discovery and procedures. A settlement conference may be conducted in appropriate cases. Following a trial, the Court issues its decision, which consists of specific findings of fact and conclusions of law and its judgment. This judgment is appealable directly to the Montana Supreme Court. There is an increasing number of matters coming to the Court on appeal from decisions made at the Department of Labor and Industry. These cases require a complete review of the file and, in some instances, an oral argument on the issues. The Court enters a decision in each of these cases. Finally, if requested, the Court must conduct evidentiary hearings on the issue of attorney fees and costs.

Under base funding it is the goal of the Court to continue to travel to the various venues statewide, conducting approximately 500 pre-trials and as many as 100 trials; to provide speedy review of the increasing number of matters which are appealed from the department of labor; to issue findings of fact, conclusions of law and judgments, substantive orders, and attorney fee

orders in excess of 100 cases; to provide accurate notice of the scheduling of trials and pre-trials; to conduct settlement conferences in appropriate cases and to manage all cases as needed for final resolution.

The salary of the Judge of the Workers' Compensation Judge is set by statute as set forth in § 2-15-1014, (4) MCA, 1989 which states:

(4) The Workers' Compensation Judge is entitled to the same salary and other emoluments as that of a district court judge but must be accorded retirement benefits under the public employees' retirement system.

The Court's staff are exempt employees. The judge has determined these salaries will be calculated according to the state pay plan, including longevity when appropriate. At present the Court employs a law clerk classified as a Lawyer I. The current review of that classification, has resulted in an upgrade which will impact the Court's budget.

The Court budgets overtime pay for the clerks of court who are required to travel with the judge and hearing examiner for trial work.

BASE FUNDING

The Workers' Compensation Judge is funded in its entirety from the workers' compensation state special revenue fund. This fund is comprised of an assessment charged to all Plan I, Plan II and Plan III insurers.

PERFORMANCE INDICATORS

	<u>FY 1990 Actual</u>	<u>FY 1991 Enacted</u>	<u>FY 1992 Base</u>	<u>FY 1993 Base</u>
<u>Clerk's Office</u>				
Register of Action				
Petitions	424	424	424	424
Appeals	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>
Total	540	444	444	444
Notices - issued	935	935	935	935
<u>Hearing Functions</u>				
Pre-trials	419	419	419	419
Trials * *	101	101	100	100
<u>Decisions</u>				
Judgments	64	65	65	65
Substantive Orders	88	95	95	95
Atty Fee Orders	36	35	35	35
Procedural Orders	847	845	845	845
<u>Review of Orders</u>				
Full & Final	1,177	1,000	1,000	1,000
Compromise Settlements (pre 7/1/87 injuries)				

NOTE: During FY90 the number of trials increased slightly and the proceedings were longer. The 1989 legislature bound the Court to the Rules of Evidence which may further increase the amount of time spent in trial, resulting in less time available for writing decisions, an increase in court reporter costs, and travel expenses.

SUMMARY OF INCREASES AND DECREASES FROM BASE

<u>Title</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
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Modification:
Equipment:

	\$ 5,600	\$ 5,600
	=====	=====

The equipment used by the Workers' Compensation Judge is out dated and ineffective in the processing of information to enable the Judge to maintain current with the work load. This request is to automate the office to be compatible with the department and other state functions, in order to facilitate the transmittal of pertinent information. The request is for a filing cabinet each year, for the additional cases and personal computer each year. The personal computer will enable the Judge to interact with the department in a manner that will save valuable time.

#3000	\$ 5,600	\$ 5,600
-------	----------	----------

Personal Services:

	\$ 2,006	\$ 2,005
	=====	=====

This request represents the pay-out for sick leave and vacation for the temporary full time position of the Law Clerk. It is the Courts practice to replace this position each year. This request reflects the actual expenditure for FY90.

#1000	\$ 2,006	\$ 2,005
-------	----------	----------

Reorganization:

	\$ 10,891	\$ 10,650
	=====	=====

The Workers' Compensation Judge was transferred from the Department of Administration to the Department of Labor

DEPARTMENT OF LABOR AND INDUSTRY

WORKERS' COMPENSATION JUDGE

and Industry during the last session. Before the reorganization, the Judge was not required to contribute to a cost allocation plan. The Department of Labor and Industry has a cost allocation plan that all divisions must contribute to. The increase reflects the increased budget required for the double accounting required for consistent accounting for the department's cost allocation plan.

#2000

\$ 10,891 \$ 10,650

JOB TRAINING GRANTS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer	Recommended	Base	Fiscal 1993 Incr/Deer	Recommended
Full Time Equivalent Employees	3.00	4.00	4.00	-4.00	.00	4.00	-4.00	.00
Personal Services	0.00	104,477	99,861	-99,861	0	99,624	-99,624	0
Operating Expenses	0.00	67,443	74,079	285,921	360,000	74,243	285,757	360,000
Benefits and Claims	9,312,212.45	12,364,614	12,254,718	2,286,987	14,537,735	12,250,718	2,573,600	14,834,313
	82,146.00	0	0	0	0	0	0	0
Total Agency Costs	\$9,394,358.46	\$12,536,534	\$12,424,658	\$2,473,047	\$14,897,705	\$12,424,585	\$2,759,733	\$15,184,318
General Fund	0.00	196,362	196,119	-196,119	0	196,280	-196,280	0
Federal Special Revenue Fund	9,394,358.46	12,343,172	12,228,539	2,569,169	14,897,705	12,328,315	2,774,732	15,184,318
Total Funding Costs	\$9,394,358.46	\$12,536,534	\$12,424,658	\$2,473,047	\$14,897,705	\$12,424,585	\$2,759,733	\$15,184,318

OVERVIEW

The Job Training Grants (JTG) administers the Job Training Partnership Act (JTPA) which prepares youth and unskilled adults for entry into the labor force and provides job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment, who are in special need of such training to obtain productive employment. Those with barriers to employment include older workers, veterans, youth, displaced homemakers, dislocated workers, long term AFDC recipients, handicapped, and offenders to any stage of the criminal justice process, excluding misdemeanors.

GOALS

The goal of JTG is to provide job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment in order for these individuals to obtain productive employment.

The goal of the State Displaced Homemaker Program is to provide job training to enable displaced homemakers, who are not eligible for other assistance, to enter the labor force and achieve independence and economic security.

AUTHORIZATION

Public Law
97-300

The Job Training Partnership Act

DEPARTMENT OF LABOR AND INDUSTRY

62

(JTPA) was enacted in 1983 to permanently authorize job training and related assistance to economically disadvantaged individuals, dislocated workers and others who face barriers to employment.

39-7-
601, MCA

The State Displaced Homemaker Program is funded from the Department of Labor and Industry's Unemployment Insurance Administrative Tax Fund. The program provides counseling, training, jobs, services, and health care for displaced homemakers so they may achieve independence and economic security.

39-53-
303 MCA

The 1986 Legislature created the Project Work Program (PWP), a mandatory job training and work program. PWP serves able bodied, General Assistance recipients in the twelve counties that have state administered programs.

BASE PROGRAM

Programs and activities provided under JTPA and the State Displaced Homemaker Program base funding are as follows:

JOB TRAINING GRANTS

classroom training, on-the-job training, work experience, try-out employment, industry specific skill training, literacy skills, job search assistance, outreach, remedial education, job counseling, employment generating activities, vocational exploration, relocation assistance, programs to develop work habits, job development, and career counseling.

Base program objectives are as follows:

1. To ensure that 62 percent of adults are employed 13 weeks after termination of JTPA training.
2. To ensure that 51 percent of all adult welfare recipients are employed 13 weeks after termination of JTPA training.
3. To ensure that 45 percent of all youth enter employment at the termination of JTPA training.
4. To ensure that 33 percent of all youth have attained an employability enhancement at termination of JTPA training.
5. To ensure that 64 percent of dislocated workers enter employment at the termination of JTPA training.

BASE FUNDING

DEPARTMENT OF LABOR AND INDUSTRY

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JOB TRAINING GRANTS

JTPA funds are federal funds and are expected to increase slightly due to Congress's action on the Dislocated Worker Program, of which Montana is a recipient of funding.

The State Displaced Homemaker Program is funded from the Unemployment Insurance Administrative Tax Fund. Funding for the program is expected to remain at the current level.

A separate control variable (CV#05101) in Program 50 identifies the FY91 appropriated funding for model projects developed in response to the federal Welfare Reform Act. The Welfare Reform Act was passed by congress to reduce dependency upon public assistance and increase economic self-sufficiency of recipients of AFDC. The purpose of the model projects was to develop methods to identify and overcome barriers that prevent AFDC recipients from obtaining employment. Welfare Reform funding in Program 50 won't be needed in FY92/93 because the DLI will not be the lead agency for the JOBS program. DLI will seek contracts with the Department of Social and Rehabilitation Services to perform any JOBS functions. Budget authority will be transferred from SRS to DLI through an administrative appropriations to perform any contracts awarded to the department.

PERFORMANCE INDICATORS

	FY 1990 <u>Actual</u>	FY 1991 <u>Enacted</u>	FY 1992 <u>Base</u>	FY 1993 <u>Base</u>
Adult Follow-up Employment Rate	70%*	62%	62%	62%
Adult Follow-up Weekly Earnings	\$211	\$211	\$211	\$211
Adult Welfare Follow-up Employment Rate	N/A**	51%	51%	51%
Youth Entered Employment Rate	76%*	45%	45%	45%
Youth Employability Enhancement Rate	N/A**	33%	33%	33%
Dislocated Worker Employment Rate	86%*	67%	67%	67%

*Starting FY91, the JTCC is urging the SDAs to serve participants with multiple barriers. By selecting performance standards at the low end of the scale, the JTCC is therefore encouraging the SDAs to serve the hardest to serve and not feel restricted by potential sanctions or the loss of incentives.

**These were not performance standards measured in Fiscal Year 1990 but will be measured in Fiscal Years 1991, 1992, and 1993.

SUMMARY OF INCREASES AND DECREASES FROM BASE

Title	Explanation	Fiscal 1992		Fiscal 1993	
Modification:					
Project Work Program:					
		\$ 360,000		\$ 360,000	

The purpose of this modification is to provide state matching funds for job search and training services provided to recipients of general assistance under the contract with SRS. This request reflects only the state's matching dollars for contracts that are expected to be entered into during the biennium. The use of these UI administrative tax funds will save a like amount of general fund in SRS. The federal funding in the contracts will be added to DLI by the budget amendment process.

#2000 \$360,000 \$360,000

EDWAAA, TAA:		\$ 596,435	\$ 664,793
--------------	--	------------	------------

This request is for the Economic Dislocated and Worker Adjustment Assistance Act (EDWAAA) supportive services payment. The purpose of EDWAAA is to establish programs to prepare, retrain and place dislocated workers into the labor force. In FY90 348 workers were served and it is anticipated that 350 workers will be served in FY92 and FY93. The act provides job training to economically disadvantaged individuals and others facing serious barriers to employment with the ultimate goal of placing these individuals in jobs at a livable wage. This request will be used to pay for costs directly related to the program on behalf of the client for training needs and supportive services.

This request also includes Trade Adjustment Act (TAA) is a part of the Trade Act of 1974. This program provides assistance to workers whose employment has been adversely

affected by increased imports. Laid off workers petition the federal government. If the government's investigation substantiates the workers claim, the petitioning workers will be certified as being eligible to apply for Trade Adjustment Act benefits. These benefits include financial assistance to individuals interested in job search or relocation and classroom or on-job type training.
 #6000 \$596,435 \$664,793

Funding Switch:

AFDC Model Project:

(\$2,452,720) (\$2,452,486)
 =====

The AFDC model project was the pilot for evaluating a variety of methods of carrying out the Welfare Reform Legislation that became known as JOBS. The lead agency for Job Opportunities and Basic Skills (JOBS) will be the Department of Social and Rehabilitative Services. Therefore, the JTG budget has been reduced by the amount of the authority appropriated by the 1989 legislature for this canceled program. The FTEs were reduced by four to reflect the loss of this program.

FTE	(4)	(4)
#1000	(\$ 99,970)	(\$ 99,736)
#2000	(\$ 74,213)	(\$ 74,213)
#6000	(\$2,278,537)	(\$2,278,537)

Grants:

\$4,465,081 \$4,683,336
 =====

The Department originally served as the administrative entity for both the Job Training Coordinating Council (JTCC) and the Private Industry Councils (PICs). The PICs chose to form an independent administrative entity under a private, non-profit organization, the Montana Job Training Partnership, Inc. (MJTP). The Department currently receives about \$5 million per year in sub-grants from funds controlled by the PICs. Prior to formation of

the MJTP, the amount of these sub-grants was budgeted only once for expenditure from the Department. With the establishment of the MJTP, the funds now will be expended once when they are disbursed to the MJTP and again when they are awarded back to the Department under sub-grants to the Job Service Division.

#6000

\$4,465,081 \$4,683,336

Grant-TAA:

(\$ 107,126) (\$107,126)

The TAA program modification request has been consolidated with the EDWAAA program. Therefore, the funding was added to the modification request for the EDWAAA/TAA program.

#6000

(\$ 107,126) (\$107,126)

*Department of
Social and Rehabilitation
Services*

*1993 Biennium
Budget Narrative*

Julia E. Robinson, Director

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

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DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

16901

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	884.70	923.72	920.72	-22.02	898.70	920.72	-19.77	900.95
Personal Services	20,277,379.89	24,018,061	24,158,313	-781,667	23,376,646	24,134,423	-719,095	23,415,328
Operating Expenses	13,209,850.75	15,157,252	15,827,243	4,528,004	20,355,247	15,811,420	2,457,949	18,269,369
Equipment	836,432.19	486,272	177,972	205,255	383,227	177,972	87,886	265,858
Local Assistance	11,168.70	35,000	35,000	0	35,000	35,000	0	35,000
Benefits and Claims	265,588,897.42	285,023,198	304,962,400	3,752,261	308,714,661	321,049,702	14,577,072	335,626,774
Transfers	799,809.52	0	0	0	0	0	0	0
Total Agency Costs	\$300,723,538.47	\$324,719,783	\$345,160,928	\$7,703,853	\$352,864,781	\$361,208,517	\$16,403,812	\$377,612,329
General Fund	78,511,146.43	83,943,091	87,826,390	-1,972,464	85,853,926	92,163,021	1,264,915	93,427,936
State Special Revenue Fund	10,809,872.66	11,640,043	11,696,853	85,493	11,782,346	11,665,262	192,281	11,857,543
Federal Special Revenue Fund	210,499,441.84	227,845,836	244,315,594	8,774,001	253,089,595	256,062,277	14,161,160	270,223,437
Proprietary Fund	903,077.54	1,290,813	1,322,091	816,823	2,138,914	1,317,957	785,456	2,103,413
Total Funding Costs	\$300,723,538.47	\$324,719,783	\$345,160,928	\$7,703,853	\$352,864,781	\$361,208,517	\$16,403,812	\$377,612,329
Family Assistance	57,772,038.99	65,569,408	63,394,910	-2,858,886	60,536,024	61,787,050	-3,072,027	58,715,023
Eligibility Determination	8,866,823.69	9,802,046	9,888,280	-189,426	9,698,854	9,877,940	-189,064	9,688,876
Administrative & Support Svs	2,383,909.42	2,657,987	2,615,937	-59,569	2,556,368	2,625,747	-64,624	2,561,123
Child Support Enforcement	2,606,311.00	3,719,783	3,774,103	380,064	4,154,167	3,761,503	386,160	4,147,663
State Assumed County Admin.	1,080,101.48	974,674	1,036,115	-31,999	1,004,116	1,038,002	-31,999	1,006,003
Medicaid Services	187,450,458.99	196,269,370	217,736,133	3,464,558	221,200,691	235,430,002	12,688,671	248,118,673
Audit And Pro. Compliance Div.	1,248,839.59	1,405,520	1,379,629	6,353	1,385,982	1,379,864	6,392	1,386,256
Office Of Mgmt, Analy & Syst	5,119,229.46	7,085,746	7,414,152	2,577,127	9,991,279	7,394,182	863,158	8,257,340
Vocational Rehabilitation	7,952,892.60	8,473,400	8,484,437	-45,301	8,439,136	8,479,692	-80,450	8,399,242
Disability Determination	2,416,340.42	2,677,906	2,695,942	2,440	2,698,382	2,694,938	2,440	2,697,378
Visual Services Prgm	1,210,388.40	1,269,349	1,274,030	1,160	1,275,190	1,273,440	1,158	1,274,598
Developmental Disabilities	22,330,081.90	24,509,399	25,159,737	4,414,855	29,574,592	25,158,661	5,851,493	31,010,154
DD Planning & Advisory Council	286,122.53	305,195	307,523	42,477	350,000	307,496	42,504	350,000
Total Program Costs	\$300,723,538.47	\$324,719,783	\$345,160,928	\$7,703,853	\$352,864,781	\$361,208,517	\$16,403,812	\$377,612,329

Mission and General Description

As the state agency responsible for administering the majority of Montana's human service programs, the mission of the Department of Social and Rehabilitation Services (SRS) is summarized in the department's mission statement: "Working Together To Empower Montanans". To accomplish its stated mission, the department administers approximately 75 different programs providing a wide range of services to Montana citizens including: Aid to Families with Dependent Children (AFDC), Medicaid, General Assistance, Vocational Rehabilitation, community based services to persons with developmental disabilities and the Child Support Enforcement Program. Although many of the programs administered by the department provide various forms of assistance (medical, rehabilitative, financial), the focus and primary objective of all SRS programs is to maximize each individual's capacity for independence from government services.

During the 1991 biennium, the department implemented major changes in the General Assistance program, developed an innovative and successful Job Opportunities and Basic Skills program (JOBS) for AFDC recipients, and coordinated the downsizing of the Montana Developmental Center through expansion of community based services for persons with developmental disabilities. The intent of each of these changes is to further emphasize the department's commitment to focusing scarce resources on assisting each individual to achieve their maximum capacity for independence.

Agency Organization

In September 1989, the department reorganized its central office staff to more efficiently respond to the rapidly changing requirements of federal mandates to reform welfare programs and the state's mandates for health care cost containment. What was formerly the Economic Assistance Division was divided into two separate divisions, the Medicaid Services Division and the Family Assistance Division. The Audit and Program Compliance Division was merged into the Support Services Division as a bureau, and a new unit, the Office of Management, Analysis, and Systems (OMAS) was created to provide more accurate and timely analysis of trends in client utilization and cost projections for the various benefit programs. Presented on pages 5 and 6 is a comparison of the fiscal year 1990 and 1991 budgets before and after reorganization as required by HB100.

Figure 1 (page 4) presents the current organizational structure of the department by division. As may be seen from Figure 1, the department is organized around four program divisions: 1) Family Assistance; 2) Medicaid Services; 3) Vocational Rehabilitation/Visual Services; and 4) Developmental Disabilities; and two service support divisions: 1) Support Services, and 2) Child Support Enforcement. The Director's Office provides the overall leadership and the organizational management direction to assure coordination among the diverse units and programs within the department.

In addition to units directly supervised by the department, there are two major statewide programs administratively attached to the department: the Developmental Disabilities Planning and Advisory

Council (DDPAC) and the Telecommunications Project for the Handicapped. Although the department provides administrative and support services to the programs, both the DDPAC and Telecommunications Services programs operate independently of the department under the auspices of their own boards appointed by the Governor. The Board of Social and Rehabilitation Appeals is also attached to the department. This board is a quasi-judicial board providing hearing and appeals to applicants or recipients of public assistance.

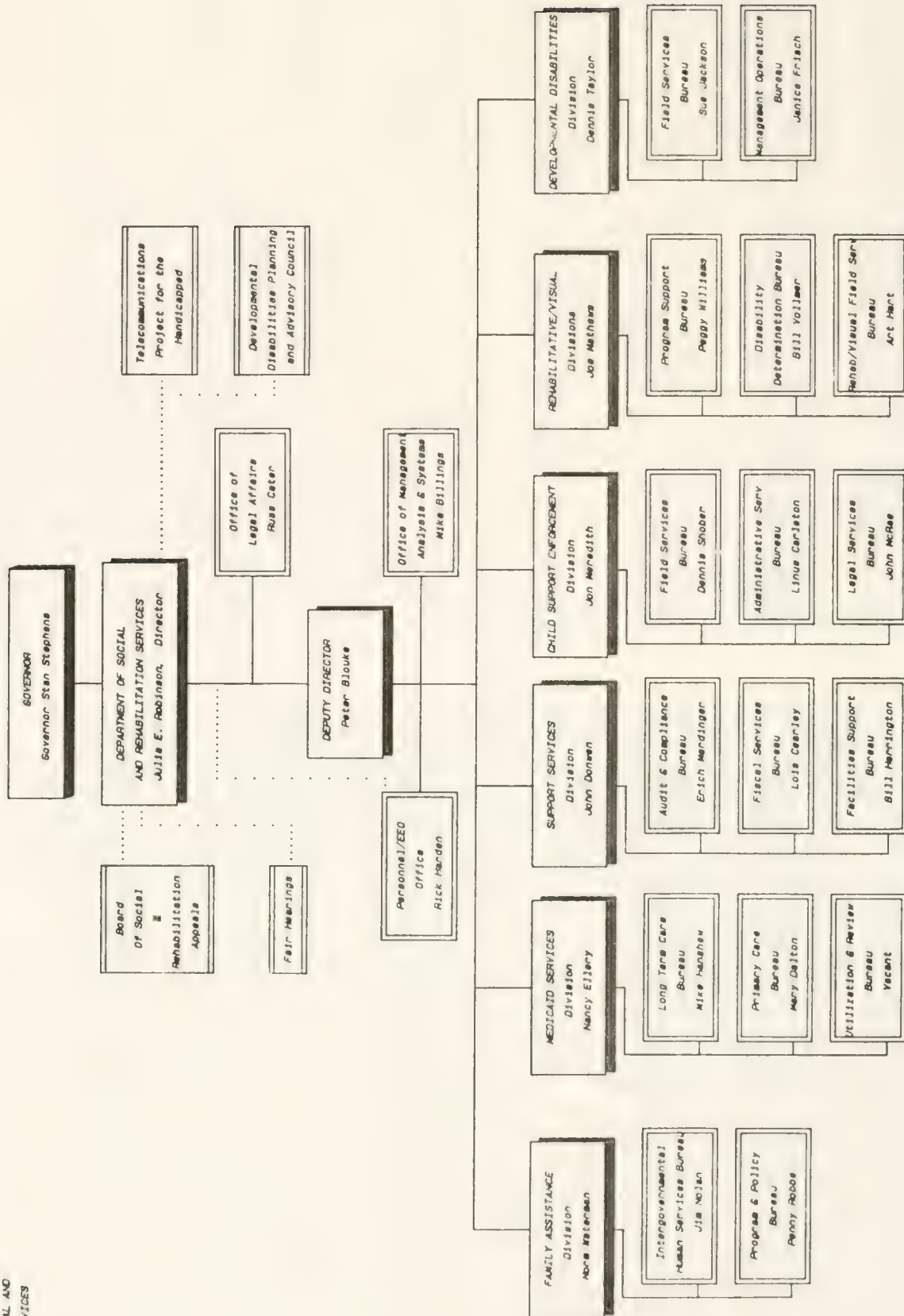
The Department of Social and Rehabilitation Services is one of the largest state agencies with 926 FTE and an appropriation of \$327 million for fiscal 1991. The Director's budget priorities for the department during the 1993 biennium include:

- o To meet Governor Stephens' goals of privatization, downsizing of state government employees and identification of cost containment strategies;
- o To provide for efficient administration of programs by locating budget authority with program responsibility;
- o To improve the effectiveness of overall state government human service delivery systems through inter-agency program planning;
- o To improve selected prevention programs to reduce long term costs to the state;
- o To ensure compliance with federal requirements to avoid federal fiscal sanctions or lawsuits;

- o To evaluate the effectiveness of current programs and provide maintenance of effort for those programs meeting performance criteria and conversely to recommend changes and/or elimination of programs not meeting established performance criteria.

The majority of enabling legislation for the department is contained under 53-2-201 et seq., MCA.

FIGURE 1



Department of Social and Rehabilitation Services
Restatement of Budget as Required by HB100

12/19/90

BEFORE REORGANIZATION

Program	Family Assistance	Eligibility Determin.	Admin. & Support	County Enforce.	Medicaid Assumption	Audit & Compliance	OWAS Rehabil.	Disability Determin.	Visual Services	Develop. Disabil.	THPAC	Total
FTE	60.75	404.20	72.20	81.00	0.00	36.99	42.00	0.00	44.13	18.80	3.00	57.72
Personal Services												
Operating	\$1,793,981	\$9,354,899	\$1,962,857	\$1,870,731		\$1,105,301	\$1,112,463		\$1,377,041	\$481,391	\$66,050	\$22,076,696
Equipment	\$6,121,904	\$113,327	\$1,137,762	\$1,764,488	\$1,081,737	\$2,629,894	\$155,616		\$106,501	\$15,167,559	\$11,450	\$15,167,559
Local Assistance	\$103,891	\$10,329	\$10,691	\$27,301	\$19,446	\$2,700	\$15,820		\$83,280	\$9,346		\$302,522
Benefits & Claims	\$55,267,550			\$5,000		\$177,699,141	\$143,326		\$68,900	\$21,055,843	\$195,000	\$27,701,220
Total Program	\$63,287,326	\$9,506,455	\$3,111,31	\$1,752,0	\$1,101,183	\$181,415,446	\$1,428,015		\$2,714,600	\$22,004,112	\$302,500	\$298,731,414
General Fund	\$16,819,327	\$2,558,077	\$1,354,344		\$641,706	\$15,722,800	\$643,415		\$273,824	\$8,068,186		\$76,734,144
State Special Revenue Fund	\$671,411	\$2,385,415	\$264,440		\$6,907,000							\$10,744,671
Federal Funds	\$45,796,488	\$4,564,063	\$1,787,466	\$2,418,187	\$139,900,086	\$784,117			\$2,714,600	\$11,215,724	\$302,500	\$26,954,637
Proprietary Funds				\$1,117,333								\$1,117,333
Total Fund 3	\$63,287,326	\$9,506,455	\$3,111,310	\$3,530	\$1,101,183	\$181,415,446	\$1,428,015		\$2,714,600	\$22,004,112	\$302,500	\$298,731,414

AFTER REORGANIZATION

FTE	40.25	406.90	71.50	78.00	0.00	41.99	40.00	23.00	76.90	43.13	18.80	33.25	3.00	876.72
Personal Services														
Operating	\$1,212,111	\$9,286,134	\$1,315,361	\$1,717,541		\$1,341,754	\$1,020,216		\$1,377,041	\$481,391	\$66,050	\$22,076,696		
Equipment	\$1,573,403	\$137,709	\$1,137,762	\$1,652,738	\$1,087,255	\$2,629,894	\$155,616		\$106,501	\$15,167,559	\$11,450	\$15,167,559		
Local Assistance	\$102,288		\$10,691	\$27,301	\$29,775	\$3,373	\$15,820		\$83,280	\$9,346		\$302,522		
Benefits & Claims	\$55,267,550			\$5,000		\$177,699,141	\$143,326		\$68,900	\$21,055,843	\$195,000	\$27,701,220		
Total Program	\$58,155,352	\$9,427,443	\$3,063,834	\$3,530	\$1,117,333	\$181,415,446	\$1,428,015		\$2,714,600	\$22,004,112	\$302,500	\$298,731,414		
General Fund	\$15,777,271	\$2,516,001	\$1,354,344		\$641,706	\$15,722,800	\$643,415		\$273,824	\$8,068,186		\$76,734,144		
State Special Revenue Fund	\$671,411	\$2,385,415	\$264,440		\$6,907,000							\$10,744,671		
Federal Funds	\$41,706,670	\$4,525,177	\$1,754,787	\$2,418,187	\$139,900,086	\$784,117			\$2,714,600	\$11,215,724	\$302,500	\$26,954,637		
Proprietary Funds				\$1,117,333								\$1,117,333		
Total Fund 3	\$58,155,352	\$9,427,443	\$3,063,834	\$3,530	\$1,117,333	\$181,415,446	\$1,428,015		\$2,714,600	\$22,004,112	\$302,500	\$298,731,414		

VARIANCES

FTE	-20.00	-2.30	-0.70	-3.00	0.00	5.00	-2.00	23.00	0.00	-1.00	0.00	1.00	0.00	
Personal Services														
Operating	(\$501,876)	(\$5,125)	(\$17,415)	(\$1,000)		\$135,750	(\$40,414)	\$711,534		\$6,001		\$6,001		
Equipment	(\$4,548,501)	(\$5,518)		(\$1,750)	\$5,518	\$49,657	\$1,547,094					\$1,547,094		
Local Assistance	(\$1,113)	(\$70,275)		(\$1,000)	\$10,325	\$673		\$12,930						
Benefits & Claims														
Total Program	(\$5,131,574)	(\$51,122)	(\$17,415)	(\$1,640)	\$15,447	\$186,088	(\$92,447)	\$5,271,033	\$0	\$0	\$31,381	\$0	\$0	
General Fund	(\$1,042,056)	(\$42,126)	(\$20,405)		\$8,240	\$93,045	(\$46,124)	\$1,033,735				\$15,691		\$0
State Special Revenue Fund														
Federal Funds	(\$4,089,518)	(\$36,756)	(\$12,715)	(\$1,027)	\$7,607	\$93,043	(\$46,123)	\$1,191,448				\$15,650		\$0
Proprietary Funds														
Total Fund 3	(\$5,131,574)	(\$51,122)	(\$17,415)	(\$1,640)	\$15,447	\$186,088	(\$92,447)	\$5,271,033	\$0	\$0	\$31,381	\$0	\$0	

BEFORE REORGANIZATION
Department of Social and Rehabilitation Services
Restatement of Budget as Required by HB100

12/19/90

Program	Family Assistance	Eligibility Determin.	Admin. Support	Child Support Enforcement	County Assumption	Medical Services	Audit & Compliance	OMAS	Vocational Rehabil.	Disability Determin.	Visual Services	Develop. Disabil.	DOPAC	Total
FTE	59.25	413.20	71.20	121.00	0.00	36.99	42.00	0.00	77.40	44.13	18.30	35.25	3.00	921.72
State Special Revenue Fund	\$1,888,936	\$9,784,635	\$2,741,724	\$2,741,724	\$1,123,662	\$1,142,341	\$1,153,421	\$2,090,257	\$1,425,452	\$499,201	\$1,689,730	\$23,455,892	\$23,455,892	
Federal Funds	\$431,325	\$145,754	\$1,011,012	\$1,243,463	\$16,019	\$2,700	\$3,420	\$563,525	\$1,193,268	\$106,109	\$279,013	\$11,161,749	\$11,161,749	
Local Assistance	\$31,325	\$33,464	\$33,464	\$33,464	\$35,000	\$192,433,559	\$143,223	\$5,833,506	\$68,600	\$641,204	\$23,105,769	\$1,000,000	\$1,000,000	
Benefits & Claims	\$6,745,437					\$192,433,559	\$143,223	\$5,833,506	\$68,600	\$641,204	\$23,105,769	\$1,000,000	\$1,000,000	
Total	\$6,745,437	\$9,927,389	\$3,098,342	\$1,122,067	\$1,139,681	\$195,617,119	\$1,456,619	\$6,820,813	\$726,698	\$977,278	\$15,353,740	\$305,195	\$305,195	\$322,269,461

AFTER REORGANIZATION

FTE	39.25	408.50	55.00	116.00	0.00	41.99	42.00	41.50	75.90	43.13	18.80	36.25	3.00	921.72
State Special Revenue Fund	\$1,251,544	\$9,784,635	\$2,741,724	\$2,741,724	\$1,123,662	\$1,142,341	\$1,153,421	\$2,090,257	\$1,425,452	\$499,201	\$1,689,730	\$23,455,892	\$23,455,892	
Federal Funds	\$431,325	\$145,754	\$1,011,012	\$1,243,463	\$16,019	\$2,700	\$3,420	\$563,525	\$1,193,268	\$106,109	\$279,013	\$11,161,749	\$11,161,749	
Local Assistance	\$31,325	\$33,464	\$33,464	\$33,464	\$35,000	\$192,433,559	\$143,223	\$5,833,506	\$68,600	\$641,204	\$23,105,769	\$1,000,000	\$1,000,000	
Benefits & Claims	\$6,745,437					\$192,433,559	\$143,223	\$5,833,506	\$68,600	\$641,204	\$23,105,769	\$1,000,000	\$1,000,000	
Total	\$6,745,437	\$9,927,389	\$3,098,342	\$1,122,067	\$1,139,681	\$195,617,119	\$1,456,619	\$6,820,813	\$726,698	\$977,278	\$15,353,740	\$305,195	\$305,195	\$322,269,461

APPLICANTS

FTE	-20.00	-4.30	-16.20	-5.00	0.00	5.00	0.00	41.50	-1.50	-1.00	0.50	1.00	0.00	0.00
State Special Revenue Fund	\$1,251,544	\$9,784,635	\$2,741,724	\$2,741,724	\$1,123,662	\$1,142,341	\$1,153,421	\$2,090,257	\$1,425,452	\$499,201	\$1,689,730	\$23,455,892	\$23,455,892	
Federal Funds	\$431,325	\$145,754	\$1,011,012	\$1,243,463	\$16,019	\$2,700	\$3,420	\$563,525	\$1,193,268	\$106,109	\$279,013	\$11,161,749	\$11,161,749	
Local Assistance	\$31,325	\$33,464	\$33,464	\$33,464	\$35,000	\$192,433,559	\$143,223	\$5,833,506	\$68,600	\$641,204	\$23,105,769	\$1,000,000	\$1,000,000	
Benefits & Claims	\$6,745,437					\$192,433,559	\$143,223	\$5,833,506	\$68,600	\$641,204	\$23,105,769	\$1,000,000	\$1,000,000	
Total	\$6,745,437	\$9,927,389	\$3,098,342	\$1,122,067	\$1,139,681	\$195,617,119	\$1,456,619	\$6,820,813	\$726,698	\$977,278	\$15,353,740	\$305,195	\$305,195	\$322,269,461

FAMILY ASSISTANCE DIVISION

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
	39.25	39.25	39.25	-2.00	37.25	39.25	-2.00	37.25
Personal Services	986,110.66	1,251,948	1,240,764	-55,635	1,185,129	1,240,833	-55,505	1,185,328
Operating Expenses	1,724,486.96	1,592,328	1,560,935	138,345	1,699,280	1,563,136	136,986	1,700,122
Equipment	91,563.33	92,195	92,195	-20,000	72,195	92,195	-20,000	72,195
Benefits and Claims	54,170,068.52	62,632,937	60,501,016	-2,921,596	57,579,420	58,890,886	-3,133,508	55,757,378
Transfers	799,809.52	0	0	0	0	0	0	0
Total Agency Costs	\$57,772,038.99	\$65,569,408	\$63,394,910	\$-2,858,886	\$60,536,024	\$61,787,050	\$-3,072,027	\$58,715,023
General Fund	14,926,675.03	18,030,312	15,330,134	-76,951	15,253,183	14,833,970	-132,484	14,701,486
State Special Revenue Fund	718,896.46	650,939	683,075	-5,912	677,163	653,449	-9,812	643,637
Federal Special Revenue Fund	42,126,467.50	46,888,157	47,381,701	-2,776,023	44,605,678	46,299,631	-2,929,731	43,369,900
Total Funding Costs	\$57,772,038.99	\$65,569,408	\$63,394,910	\$-2,858,886	\$60,536,024	\$61,787,050	\$-3,072,027	\$58,715,023

Overview

The Family Assistance Division (FAD) is responsible for the coordination and management of public assistance programs in the State of Montana. FAD is made up of three units: the Program and Policy Bureau, the Intergovernmental Human Services Bureau and the Administrative Unit.

The Program and Policy Bureau is responsible for eligibility policy development and interpretation for Aid to Families with Dependent Children (AFDC), Food Stamps, Medicaid and General Assistance (GA). The Bureau also contracts with state and local agencies to run the Project Work Program, Food Stamp Job Search and Job Opportunities and Basic Skills (JOBS).

The Intergovernmental Human Services Bureau is responsible for the eligibility policy development, and interpretation for low income energy assistance, weatherization, community service block grant and food commodity distribution. The Bureau contracts with Human Resource Development Councils, Indian reservations and private agencies for the delivery of these services.

The Administrative Unit consists of the Division Administrator, five field supervisors and a clerical unit. The field supervisors act as liaisons between the county welfare offices and the division staff in Helena regarding the eligibility determination for AFDC, Medicaid, Food Stamps and GA.

The Division is responsible for administration of the following grants and programs:

- Program Administration
- Food Stamps
- Legal Services
- Job Search (Food Stamps)
- Day Care
- Community Services Block Grant (CSBG)
- Weatherization
- Low Income Energy Assistance Program (LIEAP)
- SB128 GA-Project Work
- General Assistance
- Aid to Families with Dependent Children
- Federal Welfare Reform
- Title IV-A Training
- Homeless Grants

The budget recommendation for the Family Assistance Division contains several areas which deal with job search activities (PWP, JOBS and Job Search) that may be totally or partially contracted with the Department of Labor and Industry (DOLI). It is recommended that the general appropriations act include language allowing the transfer of appropriation authority between these departments, within the same fund types, when contracts and amounts are finalized during each fiscal year. The result of this recommendation would be that when a contract for service from the DOLI was made, the appropriation in SRS would be decreased and the appropriation in DOLI would be increased by a like amount, within each fund type. The total appropriated in each fund type by the legislature for provision of the service would remain the same.

FAMILY ASSISTANCE ADMINISTRATION

69010100.981

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	36.25	36.25	36.25	-1.00	35.25	36.25	-1.00	35.25
Personal Services	986,110.66	1,165,070	1,133,456	-17,364	1,116,092	1,133,478	-17,323	1,116,155
Operating Expenses	1,691,602.05	1,584,228	1,552,835	138,345	1,691,180	1,555,036	136,986	1,692,022
Equipment	91,563.33	92,195	92,195	-20,000	72,195	92,195	-20,000	72,195
Total Agency Costs	\$2,769,276.04	\$2,841,493	\$2,778,486	\$100,981	\$2,879,467	\$2,780,709	\$99,663	\$2,880,372
General Fund	724,730.29	806,966	653,107	2,903	656,010	653,830	2,408	656,238
Federal Special Revenue Fund	2,044,545.75	2,034,527	2,125,379	98,078	2,223,457	2,126,879	97,255	2,224,134
Total Funding Costs	\$2,769,276.04	\$2,841,493	\$2,778,486	\$100,981	\$2,879,467	\$2,780,709	\$99,663	\$2,880,372

Goals

- 0 To provide program policy to County Offices of Human Services/Welfare Departments, HRDC's and Tribes throughout the state in a timely fashion.
- 0 To monitor implementation of policy to ensure uniformity in granting assistance benefits.
- 0 To provide technical assistance to County Offices of Human Services when needed or requested in order to improve services.
- 0 To manage program expenditures to conform to budget allocations.

Authorization

53-2-201, MCA. The department has general grant of authority to administer public assistance programs throughout the state.

Department of SRS

Base Program

The Family Assistance Division is organized into two bureaus: the Program and Policy Bureau and the Intergovernmental Human Services Bureau. These Bureaus are responsible for developing and coordinating policy for programs in the respective Bureaus.

Base Funding

Funding for the administrative program is approximately 76 percent federal funds and 24 percent general fund. Federal funding sources include: Aid to Families With Dependent Children (AFDC), Weatherization, Low Income Energy Assistance Program (LIEAP) and Community Services Block Grant (CSBG).

Performance Indicators

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>
	<u>Actual</u>	<u>Enacted</u>	<u>Base</u>	<u>Base</u>
Issue/Monitor				
Contracts	386	400	400	400
Deliver				
Food				
Commod.				
Worth	4,296,924	4,300,000	4,300,000	4,300,000

Update and maintain eligibility policy manuals.

Provide policy clarification and interpretation for county welfare offices, HRDC's, JOBS program, Project Work Program, Food Stamp Job Search and commodity programs.

Monitor budget status of benefit programs.

Increase or Decrease from Base

Modifications

A modified level budget is included for the Food Stamp Employment and Training Program. The Food Stamp Employment and Training program is funded by 100 percent federal funds and the grant award is estimated to be \$96,000 each year.

The following table reflects the category of expenditure and funding for this budget modification:

	<u>FY92</u>	<u>FY93</u>
FTE		
Personal Services		
Operating	96,000	96,000
Equipment		
Benefits & Claims		
Total	<u>96,000</u>	<u>96,000</u>
General Fund		
State Special		
Federal	96,000	96,000
Proprietary		
Total	<u>96,000</u>	<u>96,000</u>
<u>Other Increases/Decreases</u>		

Personal services were reduced by approximately \$17,000 each year. This reflects the reduction of 1.00 FTE for each year. Operating expenses were increased almost \$140,000 each year. This increase is due to cost shifts between the Family Assistance Division and the County Administration Program.

Equipment was reduced by \$20,000 each year to accommodate changes in priorities between operating expenses and equipment.

The budget for personal services was increased slightly to incorporate the new benefit rates as specified by OBPP.

FOOD STAMPS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	19,879.80	32,500	32,500	0	32,500	32,500	0	32,500
Total Agency Costs	\$19,879.80	\$32,500	\$32,500	\$0	\$32,500	\$32,500	\$0	\$32,500
Federal Special Revenue Fund	19,879.80	32,500	32,500	0	32,500	32,500	0	32,500
Total Funding Costs	\$19,879.80	\$32,500	\$32,500	\$0	\$32,500	\$32,500	\$0	\$32,500

Goals

- o To promote the general welfare, to safeguard the health and well-being of Montana's population by raising levels of nutrition among low-income households.

Authorization

53-2-201, MCA and 7 U.S.C. 2011-2019. The department has general grant authority to administer state and federal public assistance programs.

Base Program

Under contract with SRS, the Blackfeet Tribal Council issues food stamp coupons to eligible Blackfeet Reservation households. The Food Stamp program is a federal program administered by the Department of SRS for needy individuals and families. Food Stamps are designed to supplement income, to provide basic nutritional dietary requirements and are considered one of the basic components of the United States welfare system.

Eligibility for the Food Stamp program is determined by county eligibility technicians based primarily on financial criteria established by the federal government.

Base Funding

Food Stamp benefits are 100 percent federally funded and are not included as part of the SRS budget. The federal government reimburses the state at a 75/25 match rate for the administrative costs associated with the tribal Food Stamp issuance program. The 25 percent match is provided by the Blackfeet Reservation.

Performance Indicators

Food Stamps will be distributed to an average of 500 households each month in fiscal 1992 and 500 households each month in fiscal 1993.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

LEGAL SERVICES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	100,000.00	100,000	100,000	0	100,000	100,000	0	100,000
Total Agency Costs	\$100,000.00	\$100,000	\$100,000	\$0	\$100,000	\$100,000	\$0	\$100,000
General Fund	100,000.00	100,000	100,000	0	100,000	100,000	0	100,000
Total Funding Costs	\$100,000.00	\$100,000	\$100,000	\$0	\$100,000	\$100,000	\$0	\$100,000

Goals

- 0 To provide legal assistance to General Assistance (GA) clients who claim disability when applying for and carrying through appeals for Supplemental Security Income (SSI) assistance. Service is provided by Montana Legal Services Association (MLSA) in the 12 State assumed counties. Clients are referred to MLSA by the County Offices of Human Services.

approval from SRS, for District Court appeals. The intent of the contract is to assist clients in obtaining SSI, thus providing them a higher monthly income and reducing the GA caseload. Most recipients are also eligible for State Medical Assistance. If recipients are found SSI eligible, Medicaid eligibility replaces State Medical. Since GA and State Medical are 100 percent general fund, a transfer to SSI and Medicaid, which are primarily federal dollars, helps the state budget as well as providing a higher monthly payment for the individuals.

Authorization

53-2-210, MCA. The department has authority to contract for legal assistance in obtaining "SSI" benefits for general relief recipients.

Base Program

Under contract with SRS, MLSA provides legal services to GA recipients who claim disability. The contract provides a continuum of services, from assistance with original applications for SSI through the Appeals Board, and with additional

Base Funding

The MLSA contract is funded with 100 percent general fund through a legislative appropriation of \$100,000 per year.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
# Clients Referred	1,644	1,000	1,000	1,000
# Receiving SSI	599	320	320	320
# Denied SSI	119			
# Closed Prior to Determination	300			
Cost Saving/ General	*	**		
Fund	\$3,047,712	1,628,160	1,189,600	1,689,600

* \$212 per month x number on SSI x 24 months.
This does not include savings that accrue as a result of shifting recipients from the State Medical program (100 percent general fund) to the federally funded Medicaid program (72 percent federal funds).

** \$220 per month x number on SSI x 24 months.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

JOB SEARCH

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	27,288.38	1,144,752	1,144,752	-609,250	535,502	1,144,752	-609,250	535,502
Transfers	161,796.71	0	0	0	0	0	0	0
Total Agency Costs	\$189,085.09	\$1,144,752	\$1,144,752	\$-609,250	\$535,502	\$1,144,752	\$-609,250	\$535,502
General Fund	3,347.58	0	0	43,750	43,750	0	43,750	43,750
Federal Special Revenue Fund	185,737.51	1,144,752	1,144,752	-653,000	491,752	1,144,752	-653,000	491,752
Total Funding Costs	\$189,085.09	\$1,144,752	\$1,144,752	\$-609,250	\$535,502	\$1,144,752	\$-609,250	\$535,502

Goals

- o To provide an Employment and Training Job Search program for recipients of Food Stamps in order to place Food Stamp recipients into employment.

Authorization

7 U.S.C. 2011-2029; 53-2-201, MCA. The department has general grant authority to administer public assistance programs.

Base Program

Food Stamp Job Search is a mandatory federal Employment and Training program for all nonexempt Food Stamp applicants. Recipient participation is required in all counties contracting for the Job Search program. Job Search consists of an Independent Job Search component where participants must make at least 24 job search contacts during their 8 week participation period.

SRS contracts with the Department of Labor and Industry to operate Job Search in Yellowstone County and Custer County. SRS also contracts with Project Work Program providers to administer Food Stamp Job Search services in the 12 state assumed counties of Cascade, Deer Lodge, Flathead, Lake, Lewis and Clark, Lincoln, Mineral, Missoula, Park, Powell, Ravalli and Silver Bow.

The expenditures for fiscal 1990 reflect approximately 4 months of contracts. During that year, the Job Search program was reevaluated and revamped. For over 6 months of the year, only a minimal level of service was provided.

Base Funding

The Food Stamp Job Search program is 100 percent federal funding. Administrative funding is 50 percent federal and 50 percent state.

Supportive Services, which include personal items necessary to assist individuals in seeking employ-

ment provided at \$25 per recipient, are funded by 50 percent federal and 50 percent state.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Participants	NA	7,000	7,000	7,000

Increase or Decrease from Base

Modifications

Supportive services are required by federal regulation and include a 50 percent state match. General fund of \$43,750 is being requested for each fiscal year. It is estimated that 873 individuals per year will receive supportive services.

The following table reflects the category of expenditure and funding for this budget modification:

	FY92	FY93
FTE		
Personal Services		
Operating		
Equipment		
Benefits & Claims	43,750	43,750
Total	43,750	43,750
General Fund		
State Special		
Federal	43,750	43,750
Proprietary		
Total	43,750	43,750

Department of SRS

Other Increases/Decreases

A reduction was made in the Job Search base program of \$653,000 each year in federal funds. This reduction reflects the current level of the program.

DAY CARE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	1,287,323.24	814,451	1,200,000	0	1,200,000	1,200,000	0	1,200,000
Total Agency Costs	<u>\$1,287,323.24</u>	<u>\$814,451</u>	<u>\$1,200,000</u>	<u>\$0</u>	<u>\$1,200,000</u>	<u>\$1,200,000</u>	<u>\$0</u>	<u>\$1,200,000</u>
General Fund	365,434.06	234,691	339,480	0	339,480	337,200	0	337,200
Federal Special Revenue Fund	921,889.18	579,760	860,520	0	860,520	862,800	0	862,800
Total Funding Costs	<u>\$1,287,323.24</u>	<u>\$814,451</u>	<u>\$1,200,000</u>	<u>\$0</u>	<u>\$1,200,000</u>	<u>\$1,200,000</u>	<u>\$0</u>	<u>\$1,200,000</u>

Goals

- o To provide quality day care assistance for AFDC families who enter employment related training.

Authorization

53-4-716, MCA; 42 U.S.C. 602(g). Payments for necessary child care assistance is required of the department for those participating in the "Job Opportunities and Basic Skills" (JOBS) training program.

Base Program

The base program was increased to approximately the fiscal 1990 actual level. Day care is provided to JOBS participants and to non-JOBS individuals who participate in approved employment related training.

For JOBS related child care, SRS will pay 100 percent of child care expenses so that the caretaker

relative can attend approved school and training or begin employment. The caretaker may choose any legally operating child care provider.

Base Funding

Day Care funds are provided through a match of approximately 72 percent federal and 28 percent general fund. SRS acts as the pass through agency to the Department of Family Services, which administers some of these funds. Funding for JOBS transitional day care is included in the Welfare Reform request.

The base was recomputed to reflect the most recent experience. During fiscal 1990, the WIN program was terminated and the JOBS program was started in 5 counties.

Performance Indicators

The following figures are based upon the care provided in fiscal 1989. Subsequent year figures may need to be adjusted as the JOBS program becomes operational.

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
Children Served	12,233	14,152	14,152	14,152

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

COMMUNITY SERVICES BLOCK GRANT

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992 Base	Fiscal 1992 Incr/Decr	Recommended	Fiscal 1993 Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	1,079,234.83	1,060,664	1,060,664	0	1,060,664	1,060,664	0	1,060,664
Total Agency Costs	\$1,079,234.83	\$1,060,664	\$1,060,664	\$0	\$1,060,664	\$1,060,664	\$0	\$1,060,664
Federal Special Revenue Fund	1,079,234.83	1,060,664	1,060,664	0	1,060,664	1,060,664	0	1,060,664
Total Funding Costs	\$1,079,234.83	\$1,060,664	\$1,060,664	\$0	\$1,060,664	\$1,060,664	\$0	\$1,060,664

Goals

- o To alleviate the causes of poverty in Montana communities.

Authorization

53-10-501 MCA; 42 U.S.C. 9901, et seq. The department is authorized to administer the federal "Community Services Block Grant" (CSBG) program.

Base Program

CSBG is a federally authorized and funded block grant which requires antipoverty strategies be developed and implemented by the state's Human Resource Development Councils (HRDC's). The HRDC's are local non-profit, multi-county organizations whose boards of directors are comprised of one-third public officials, at least one-third low income representatives and the remainder representative of business, labor, religious, welfare, education or other major groups and interests in the community.

Department of SRS

Base Funding

This program is funded with 100 percent federal funding from the Department of Health and Human Services.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
HRDC Work				
Plans/Budgets				
reviewed, approved,				
disapproved or modified	10	10	10	10
HRDC Contracts Issued	10	10	10	10
HRDC Anti-Poverty				
Programs Begun	10	10	10	10
On-site Evaluations				
Completed	10	10	10	10

Family Assistance Division

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

WEATHERIZATION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Benefits and Claims	1,758,204.82	2,387,738	2,387,738	0	2,387,738	0
Total Agency Costs	<u>\$1,758,204.82</u>	<u>\$2,387,738</u>	<u>\$2,387,738</u>	<u>\$0</u>	<u>\$2,387,738</u>	<u>\$0</u>
Federal Special Revenue Fund	1,758,204.82	2,387,738	2,387,738	0	2,387,738	0
Total Funding Costs	<u>\$1,758,204.82</u>	<u>\$2,387,738</u>	<u>\$2,387,738</u>	<u>\$0</u>	<u>\$2,387,738</u>	<u>\$0</u>

Goals

- o To help low income people reduce their home heating costs and to help conserve natural resources.

and replacement.

Homes are prioritized based on energy consumption and all materials and labor are locally acquired.

Authorization

90-4-201, et seq., MCA; 42 U.S.C. 6861. The department is authorized to administer the "home weatherization" program with funds made available by the federal government.

Base Funding

Funding for the home weatherization program is 100 percent federal funding from the Department of Energy and Department of Health and Human Services Low Income Energy Assistance Program (LIEAP).

Base Program

The home weatherization program provides funds to local Human Resource Development Councils (HRDC's) and tribal organizations to install energy saving measures in low income people's homes.

The measures are decided on after each home has had an energy audit completed to determine what modification would be most cost effective. Modifications include insulation, caulking, furnace repair

Performance Indicators

FY90 FY91 FY92 FY93
Actual Enacted Base Base

HRDC/Tribal
Contracts Issued 15 15 15 15

Units Weatherized 1,090 2,540 1,500 1,500

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

LOW INCOME ENERGY ASSISTANCE PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Benefits and Claims	7,949,382.38	7,388,100	7,388,100	0	7,388,100	0
Total Agency Costs	\$7,949,382.38	\$7,388,100	\$7,388,100	\$0	\$7,388,100	\$0
Federal Special Revenue Fund	7,949,382.38	7,388,100	7,388,100	0	7,388,100	0
Total Funding Costs	\$7,949,382.38	\$7,388,100	\$7,388,100	\$0	\$7,388,100	\$0

Goals

- 0 To help defray some of the home heating costs of all eligible applicants below 125 percent of poverty level.

Base Funding

This program is funded with 100 percent federal funding from the Department of Health and Human Services.

Authorization

42 U.S.C. 8621, et seq.; 90-4-201, et seq.; MCA. Federal and state authority for the low income energy assistance program.

Performance Indicators

	FY90	FY91	FY92	FY93
	Actual	Enacted	Base	Base
Households Served	22,090	22,000	22,000	22,000

Base Program

Using a series of matrices which factor a household's income, fuel type, size and type of home and local heating degree days, payments are made to the household's utility company. Supplemental payments are also available to very low income households and emergency payments for unforeseen energy-related events are also allowed. The fiscal 1991 average benefit was increased by approximately \$50 over fiscal 1990. The fiscal 1990 average benefit was \$301.61.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
				Recommended		Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Benefits and Claims Transfers	307,064.36	1,887,500	1,887,500	-849,579	1,887,500	-849,579
	638,012.81	0	0	0	0	0
Total Agency Costs	<u>\$945,077.17</u>	<u>\$1,887,500</u>	<u>\$1,887,500</u>	<u>\$-849,579</u>	<u>\$1,887,500</u>	<u>\$-849,579</u>
General Fund	271,631.69	832,265	832,265	-443,877	832,265	-443,877
Federal Special Revenue Fund	673,445.48	1,055,235	1,055,235	-405,702	1,055,235	-405,702
Total Funding Costs	<u>\$945,077.17</u>	<u>\$1,887,500</u>	<u>\$1,887,500</u>	<u>\$-849,579</u>	<u>\$1,887,500</u>	<u>\$-849,579</u>
				<u>\$1,037,921</u>		<u>\$1,037,921</u>
						<u>\$1,037,921</u>
						<u>\$1,037,921</u>

Goals

to 6 months, depending on their employability classification.

To initiate, promote and develop Job Search Training and Workfare programs that will provide employment training and work experience for persons receiving Food Stamps and General Assistance (GA).

Authorization

53-3-304, MCA. The department has authority to require general relief recipients to participate in job search, training and welfare programs.

Base Program

Project Work, Employment and Training Program, is mandatory for all nonexempt GA recipients in the 12 state assumed counties of Cascade, Deer Lodge, Flathead, Lake, Lewis and Clark, Lincoln, Mineral, Missoula, Park, Powell, Ravalli and Silver Bow. Participants in the Project Work Program are required to participate 40 hours per week for up

to 6 months, depending on their employability classification.

Project Work consists of 3 components: the Intake, Assessment and Work Experience component; the Initial Month Training Component and the Successive Months' Training Component. The Initial Month Training Component consists of 20 days of intensive Job Search and Work Experience, where at least 50 percent of participants' time is spent on Job Search. The Successive Months' Training Component consists of Job Search, Work Experience, Job Readiness Training, Job Skills Training, Remedial Education, Overcoming Chemical Dependency and Peer Counseling.

As part of the changes proposed for the State Medical program, enrolled Project Work participants who have identified medical problems that interfere with their ability to achieve employment will receive appropriate medical care through Project Work funding.

Base Funding

For fiscal 1991, the legislature appropriated \$1,887,500, of which \$1,055,235 is federal funds and \$832,265 is state funds.

Performance Indicators

Clients Served

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
Clients Served	2,490*	2,740	2,740	2,740

* Fiscal 1990 reflects only a six month average. The program started January 1, 1990.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

The fiscal 1992 and fiscal 1993 budget request for Project Work reflects a \$849,579 decrease from the base. This is due to the decrease in the GA when substantial changes were made in the program during 1989.

A portion of the PWP effort will be contracted with the Department of Labor and Industry (DOLI) as in the current biennium. General fund in the SRS budget is reduced by approximately \$286,000 per year. The same amount, from the unemployment insurance administration tax, is budgeted in DOLI

Department of SRS

to provide the required state matching funds for PWP efforts.

GENERAL ASSISTANCE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Benefits and Claims	3,118,443.51	5,181,220	2,736,620	0	2,736,620	0
Total Agency Costs	\$3,118,443.51	\$5,181,220	\$2,736,620	\$0	\$2,736,620	\$0
General Fund	3,118,443.51	5,181,220	2,736,620	0	2,736,620	0
Total Funding Costs	\$3,118,443.51	\$5,181,220	\$2,736,620	\$0	\$2,736,620	\$0

Goals

program for low income persons.

o To provide indigent Montanans residing in the State Assumed counties financial assistance for basic necessities compatible with decency and health.

o To provide for the burial of eligible deceased indigents in State Assumed counties.

o To provide General Assistance recipients a Transition-To-Work allowance to assist in relocation expenses when employment has been obtained in another county or state.

o To provide assistance to nonresidents or interstate transients who need assistance in returning to their state of origin or who incur medical expenses arising from accidental injury.

Authorization

53-3-108, et seq., MCA. The department has authority to implement a cash payment or voucher

Base Program

General Assistance (GA) is a program that provides financial assistance to persons in need. Financial payments made under "General Relief Assistance for Basic Necessities," are to provide for food, shelter, utilities and personal needs. The 1989 Legislature established payment levels at 42 percent of the federal poverty guidelines. For one individual, the cash payment in fiscal 1991 is \$220 per month. In addition to cash payments to eligible recipients, Montana statutes and legislative action also provide for payment of indigent burials, financial assistance to interstate travelers and an allowance for moving expenses to GA clients who have located employment away from their county of residence.

Substantial changes were made to the GA program during 1989. Under current law, eligibility for GA is based upon a recipient's employability classification. Unemployable recipients may receive GA for as long as the condition rendering them

unemployable continues. Persons determined to be "employable" may only receive GA for 4 months out of a 12 month period. Employable recipients who have serious barriers to employment or chemical dependency may receive GA for 6 out of 12 months as long as they are willing to participate in a program to help them overcome their serious barrier or chemical dependency.

As a result of changes in the statutes relating to the GA program and the department's implementation of a strong job training program, there has been a dramatic decrease in the GA caseload during fiscal 1990.

The base program was recomputed taking into account the programmatic changes adopted by the 1989 Legislature and implementation by the department. The base program assumes an average monthly caseload of 977 and an average payment level of \$220.

Base Funding

This program is funded with 100 percent general fund.

The base funding is a combination of \$123,620 for General Assistance Burials, \$2,580,000 for General Assistance payments and \$33,000 for Nonresident General Assistance.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
Avg/Monthly GA Caseload	1,227	1,912	977	977
Avg/Monthly GA Cost	\$210.86	\$216	\$ 220	\$ 220
Indigent Burials -				
Number of Burials		94	94	94
Transition to Work was a fiscal 1990 only appropriation. There were 81 recipients of Transition to Work funds during fiscal 1990.				

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	38,218,043.70	37,196,518	37,123,648	-321,316	36,802,332	35,513,518	-533,228	34,980,290
Total Agency Costs	\$38,218,043.70	\$37,196,518	\$37,123,648	\$-321,316	\$36,802,332	\$35,513,518	\$-533,228	\$34,980,290
General Fund	10,326,645.53	10,031,901	9,819,205	-84,988	9,734,217	9,325,850	-140,026	9,185,824
State Special Revenue Fund	718,896.46	650,939	683,075	-5,912	677,163	653,449	-9,812	643,637
Federal Special Revenue Fund	27,172,501.71	26,513,678	26,621,368	-230,416	26,390,952	25,534,219	-383,390	25,150,829
Total Funding Costs	\$38,218,043.70	\$37,196,518	\$37,123,648	\$-321,316	\$36,802,332	\$35,513,518	\$-533,228	\$34,980,290

Goals

- 0 To meet the basic financial and medical needs of needy Montanans with dependent children through the Aid to Families with Dependent Children (AFDC) Basic Grant Program and the AFDC Emergency Assistance Program.

Authorization

42 U.S.C. 600, et seq.
for the AFDC program.

53-4-201, et seq., MCA. State authority for the implementation of the AFDC program.

Base Program

The AFDC program is a federal program administered by SRS to meet the basic financial living needs of low income Montana families who have dependent children. AFDC eligibility automatically entitles the family to Medicaid coverage. In fiscal 1990,

an average of 9,550 households received assistance each month. The grant each family receives is based on the family's income, services and allowable deductions, such as child care or a work allowance. The amount of the grant is related to the federal poverty index and has been set by the legislature at 42 percent of the poverty index. The average grant in fiscal 1990 was \$332.50. The average grant in fiscal 1991 is currently about \$341.00.

AFDC Emergency Assistance is available to assist needy Montana families who have unforeseen catastrophic needs, such as those created by major illness, house fires, flood, earthquake, utility shut offs, accidents and travel emergencies. In fiscal 1990, 915 households received emergency assistance for a cost of \$189,591.

The base program was recomputed taking into account the affect of the JOBS program. The base program assumes that 347 persons will be placed in permanent full-time employment in fiscal 1991 and 434 each year thereafter.

Base Funding

In fiscal 1991, funding for the AFDC program will be 71.64 percent federal funds, 26.5 percent general fund and 1.86 percent county funds. The federal match rate for fiscal 1992 will be 71.71 percent and is estimated to be 71.9 percent in fiscal 1993. AFDC Emergency Assistance is funded 50 percent federal funds and 50 percent state funds for state assumed counties and 50 percent federal and 50 percent county funds in nonassumed counties.

Performance Indicators

Caseload projections are as follows:

Average Monthly Caseload	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Regular Unemp Parent	8,607 943	8,100 900	8,150 894	7,796 855
Average Monthly Payment				

Regular Unemp Parent	322.15 427.01	334.24 435.92	331.39 439.63	331.39 439.63
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The average cost per case for fiscal 1992 and fiscal 1993 is based on fiscal 1991 data through November 1990.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

The base has been decreased by \$321,316 in fiscal 1992 and \$533,228 in fiscal 1993. This reduction is due to the estimated savings generated by the advent of the on-line eligibility system (TEAMS). It is estimated that the on-line system will facilitate the eligibility process and provide more timely and accurate information. These changes equate to a reduction of approximately 78 cases in fiscal 1992 and an additional 52 cases in fiscal 1993.

FEDERAL WELFARE REFORM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Deer	----- Recommended	----- Base	Fiscal 1993 Incr/Deer	----- Recommended
Full Time Equivalent Employees	3.00	3.00	3.00	-1.00	2.00	3.00	-1.00	2.00
Personal Services	0.00	86,878	107,308	-38,271	69,037	107,355	-38,182	69,173
Operating Expenses	32,884.91	8,100	8,100	0	8,100	8,100	0	8,100
Benefits and Claims	0.00	5,030,994	5,030,994	-1,141,451	3,889,543	5,030,994	-1,141,451	3,889,543
Total Agency Costs	\$32,884.91	\$5,125,972	\$5,146,402	\$-1,179,722	\$3,966,680	\$5,146,449	\$-1,179,633	\$3,966,816
General Fund	16,442.37	843,269	849,457	405,261	1,254,718	848,205	405,261	1,253,466
Federal Special Revenue Fund	16,442.54	4,282,703	4,296,945	-1,584,983	2,711,962	4,298,244	-1,584,894	2,713,350
Total Funding Costs	\$32,884.91	\$5,125,972	\$5,146,402	\$-1,179,722	\$3,966,680	\$5,146,449	\$-1,179,633	\$3,966,816

Goals

work allowance from \$75 to \$90 per employed individual, increase the per child day care allowance, repositioning of the \$30 plus 1/3 income disregard of earned income and a change in the policy on resource transfers.

Authorization

42 U.S.C. 681, et seq.; 53-4-701, et seq., MCA. Federal and state authority for the AFDC program for job opportunities.

Base Program

Title II of the Family Support Act of 1988, Public Law 100-485, created the Job Opportunities and Basic Skills (JOBS) training program and other programmatic changes for recipients of Aid to Families with Dependent Children (AFDC). The JOBS program is designed to assist recipients to become self-sufficient by providing needed employment related activities and support services. No general fund was appropriated for the operation of the JOBS

To establish a Job Opportunity and Basic Skills Training (JOBS) program providing recipients of Aid to Families with Dependent Children (AFDC) the opportunity to obtain the education, training and employment needed to avoid long-term dependency on welfare.

To provide necessary supportive services so that individuals can participate in JOBS and accept employment, thus reducing AFDC expenditures.

To assist families with the high costs of child care and medical assistance for up to 12 months while making the transition from AFDC dependency to self-sufficiency. (Transitional Child Care.)

To provide, as mandated in the federal Family Support Act of 1988, a change in the AFDC budgeting process to allow an increase in the

program. The Department estimates that \$600,000 of general fund is needed for fiscal 1991.

A complete JOBS program consists of: high school education, basic and remedial education, English proficiency, job skills training, job readiness activities, job development and job placement activities, group and individual job search, on-the-job training, work supplementation and community work experience.

A minimal program consists of high school education or equivalency, one optional component and referral to a non-JOBS employment service.

Seventy-five percent of the state's AFDC recipients reside in 10 Montana counties. Complete JOBS programs were implemented in Flathead, Missoula, Gallatin, Lewis and Clark and Yellowstone Counties on July 1, 1990. On January 1, 1991, the following 5 counties will begin complete programs: Cascade, Silver Bow, Ravalli, Lincoln, and Lake. Minimal programs will begin July 1, 1991 in an additional 17 counties, where 20 percent of the AFDC population resides.

To be eligible for increased federal financial participation and enhanced matching rates, the State must allow for the following participation rates for non-exempt AFDC recipients: fiscal 1991, 7 percent; fiscal 1992, 11 percent and fiscal 1993, 11 percent. Participation rates for Unemployed Parent Households are not effective until fiscal 1994.

The Transitional Child Care provision establishes a methodology for SRS to partially pay any legally operating child care provider for child care for

children of working parents who have left the AFDC program. The financial contribution of the parent is gradually increased over the 12 month period.

Base Funding

Funding for JOBS is as follows: 90 percent federal match up to \$655,600, approximately 50 percent federal and 50 percent state for Administrative Support and 72 percent Federal and 28 percent state for direct service.

Transitional Child Care is funded jointly by federal and general funds. The funding mix for expenditures will be approximately 72 percent federal funds and 28 percent general fund.

Performance Indicators

<u>JOBS</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>
Partic. Served	NA	1,377	2,516	2,492
Cases Resolved	NA	540	986	977

Since these are new programs, caseloads and expenditure levels may need to be revised after program implementation. Additionally, the program is sensitive to the general economic climate and is dependent on the availability of jobs in the community.

Increase or Decrease from Base

Modifications

This program was increased by \$2,640,368 each fiscal year, of which \$853,367 is general fund and \$1,787,001 is federal funds. The funds will be

used to pay for the operation of the JOBS program.
The following table reflects the category of expenditure and funding for this budget modification:

	<u>FY92</u>	<u>FY93</u>
FTE		
Personal Services		
Operating		
Equipment		
Benefits & Claims	<u>2,640,368</u>	<u>2,640,368</u>
Total	<u>2,640,368</u>	<u>2,640,368</u>
General Fund		
State Special	853,367	853,367
Federal		
Proprietary	<u>1,787,001</u>	<u>1,787,001</u>
Total	<u>2,640,368</u>	<u>2,640,368</u>

Other Increases/Decreases

The 1989 Legislature appropriated approximately \$2.25 million of federal authority to SRS for fiscal 1991 which was intended to be transferred to the Department of Labor for the implementation of JOBS. The Department of SRS will be implementing JOBS so the funds were eliminated from the base program. One FTE was eliminated from this program as part of the agency-wide reduction of 9.99 FTE. Included in the base program was \$1,526,057 (\$1,098,761 federal funds and \$427,296 general fund) for transitional Medicaid costs. These funds were moved to the Medicaid Services Division.

The current funding request includes: \$77,137 in fiscal 1992 and \$77,273 in fiscal 1993 for administration of the JOBS program; \$883,329 in each year for transitional day care and \$365,846 in each year for increases to the AFDC program due to Welfare Reform.

TITLE IV-A TRAINING

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	143,772.93	157,500	157,500	0	157,500	157,500	0	157,500
Total Agency Costs	\$143,772.93	\$157,500	\$157,500	\$0	\$157,500	\$157,500	\$0	\$157,500
Federal Special Revenue Fund	143,772.93	157,500	157,500	0	157,500	157,500	0	157,500
Total Funding Costs	\$143,772.93	\$157,500	\$157,500	\$0	\$157,500	\$157,500	\$0	\$157,500

Goals

- o To provide initial training for newly hired eligibility technicians and provide continuing training via workshops aimed at improving the professional and technical skills of county and state employees.

The role of the IV-A training contract is to plan and conduct group or individual learning sessions for state and local staff for the purpose of better preparing them to undertake their jobs and to serve clients in a more effective and efficient manner. The benefits of the program include lower error rates and improved worker morale.

Authorization

42 U.S.C. 602. Provides the federal authority that governs the conduct of the AFDC program by a state.

53-4-201, et seq., MCA. Provides the general state authority for the administration of the AFDC program.

Base Program

Title IV-A of the Social Security Act includes specific training and competency requirements for state administration of the AFDC program. IV-A training targets staff of the Family Assistance Division who are involved in administration of the AFDC program.

Base Funding

The funds for the training program are provided through a contract with Continuing Education at the University of Montana. The University provides the necessary 50 percent match for these federal funds. The IV-A training program is funded 50 percent federal funds and 50 percent state funds. Under an agreement with the University of Montana, SRS includes the federal portion of the training costs and the University provides the general fund match. Total funding for each year of the 1993 biennium is \$157,500.

performance Indicators

In fiscal 1990, 20 to 22 two-day programs plus 4 initial in-service training sessions were offered. These programs average 16 hours each for a total of 320 hours serving approximately 400 staff.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

HOMELESS GRANTS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	161,430.57	251,000	251,000	0	251,000	251,000	0	251,000
Total Agency Costs	\$161,430.57	\$251,000	\$251,000	\$0	\$251,000	\$251,000	\$0	\$251,000
Federal Special Revenue Fund	161,430.57	251,000	251,000	0	251,000	251,000	0	251,000
Total Funding Costs	\$161,430.57	\$251,000	\$251,000	\$0	\$251,000	\$251,000	\$0	\$251,000

Goals

SRS to receive funding.

- o To prevent or ameliorate homelessness.

Base Funding**Authorization**

53-2-201, MCA. The department has general grant authority to administer public assistance programs throughout the state.

Funding for the homeless program is 100 percent federal funding from the Departments of Health and Human Services and Housing and Urban Development.

Performance Indicators**Base Program**

SRS receives funding from two federal agencies for separate homeless programs. The Department of Housing and Urban Development's Emergency Shelter program is primarily intended to help renovate or rehabilitate homeless shelters while the Department of Health and Human Services' Emergency Community Homeless program is designed to work with individuals and communities to prevent homelessness or in obtaining needed services.

Both programs are locally designed and operated by the state's Human Resource Development Councils, which prepare and submit budget and work plans to

FY90 FY91 FY92 FY93
Actual Enacted Base Base

HRDC Work Plans/
Budgets Reviewed,
Approved, Disapproved
or Modified 20 20 20 20 20

HRDC Contracts Issued 20 20 20 20 20

Homeless Assistance
Program Begun 20 20 20 20 20

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

ELIGIBILITY DETERMINATION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	406.90	408.90	408.90	-9.70	399.20	408.90	-9.70	399.20
Personal Services	8,697,641.27	9,664,285	9,744,747	-189,426	9,555,321	9,734,294	-189,064	9,545,230
Operating Expenses	169,182.42	137,761	143,533	0	143,533	143,646	0	143,646
Total Agency Costs	\$8,866,823.69	\$9,802,046	\$9,888,280	\$-189,426	\$9,698,854	\$9,877,940	\$-189,064	\$9,688,876
General Fund	2,244,711.88	2,616,059	2,618,774	-108,311	2,510,463	2,616,028	-92,230	2,523,798
State Special Revenue Fund	2,186,853.92	2,480,997	2,523,131	5,541	2,528,672	2,520,500	5,541	2,526,041
Federal Special Revenue Fund	4,435,257.89	4,704,990	4,746,375	-86,656	4,659,719	4,741,412	-102,375	4,639,037
Total Funding Costs	\$8,866,823.69	\$9,802,046	\$9,888,280	\$-189,426	\$9,698,854	\$9,877,940	\$-189,064	\$9,688,876

Overview

The Eligibility Determination program includes funding for county welfare eligibility staff, clerical staff and county welfare directors' salaries and travel. The primary function of the program is to determine initial and ongoing eligibility for Food Stamps, Aid to Families with Dependent Children (AFDC), Medicaid and General Assistance for those persons who have applied for or have been receiving benefits.

Administratively, welfare programs operated at the county level are divided between the 12 state assumed counties and the remaining 44 counties that are nonassumed. The state assumed counties are those counties which have opted to turn over to the state (SRS) full responsibility for administration and financial support of the local welfare programs. In exchange for administering the local welfare programs, the state receives 12 mills from each of the assumed counties. The 44 nonassumed counties administer and fund their local programs

under the general direction and supervision of SRS, particularly as they relate to federally funded welfare programs.

State assumed and nonassumed counties operate the same programs in the local counties and are supervised by the Department of SRS. The expenses of the state assumed counties are a responsibility of the state general fund. Nonassumed counties' expenses are the responsibility of the individual counties. All counties are charged with the responsibility to operate state and federal programs properly and have staffing patterns of a similar nature. Each county or combination of counties, has a Director, Eligibility Supervisor (if caseload size warrants), Eligibility Technicians and clerical staff.

STATE ASSUMED COUNTY COSTS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	210.80	214.15	212.80	-9.70	203.10	212.80	-9.70	203.10
Personal Services	4,455,709.58	5,003,175	5,007,302	-200,082	4,807,220	5,001,918	-199,720	4,802,198
Operating Expenses	46,180.55	27,716	28,802	0	28,802	28,907	0	28,907
Total Agency Costs	\$4,501,890.13	\$5,030,891	\$5,036,104	\$-200,082	\$4,836,022	\$5,030,825	\$-199,720	\$4,831,105
General Fund	2,265,914.54	2,616,059	2,618,774	-108,311	2,510,463	2,616,028	-92,230	2,523,798
State Special Revenue Fund	0.02	0	0	0	0	0	0	0
Federal Special Revenue Fund	2,235,975.57	2,414,832	2,417,330	-91,771	2,325,559	2,414,797	-107,490	2,307,307
Total Funding Costs	\$4,501,890.13	\$5,030,891	\$5,036,104	\$-200,082	\$4,836,022	\$5,030,825	\$-199,720	\$4,831,105

Goals

- o To take applications for programs of public assistance and determine, in a timely manner, which, if any, programs the applicant is qualified to receive.
- o To disseminate information concerning programs of assistance to the local communities.
- o To determine whether or not recipients of public assistance continue to meet requirements of receiving assistance according to state and federal law.

Authorization

53-2-201, MCA; 53-2-801 et seq., MCA. The department has a general grant authority to administer public assistance in state assumed counties.

Base Program

The Eligibility Determination program includes the county level eligibility technician staff and clerical support staff. In the 12 assumed counties, the staff are directly supervised by SRS and are funded with a mix of general fund and federal funds. The staff are responsible for determining eligibility of applicants for the General Relief, AFDC, Medicaid and Food Stamp programs.

Base Funding

Funding for this program is a mix of 52 percent general fund and 48 percent federal funds. The funding percentages are determined by a statistical sampling process called the Random Moment Time Study.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
Eligibility Tech.	212.8	212.8	203.1	203.1
Cases/Technician	178	178	178	178

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

For fiscal 1992 and fiscal 1993, 9.7 FTE were eliminated: 7.7 of these FTE reductions are attributable to projected increased staff efficiency due to the implementation of The Economic Assistance Management System; and 2.0 FTE were eliminated as part of a department-wide reorganization that eliminates 9.99 FTE.

NONASSUMED COUNTY COSTS

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
	196.10	194.75	196.10	.00	196.10	196.10	.00	196.10
Personal Services	4,241,931.69	4,661,110	4,737,445	10,656	4,748,101	4,732,376	10,656	4,743,032
Operating Expenses	123,001.87	110,045	114,731	0	114,731	114,739	0	114,739
Total Agency Costs	\$4,364,933.56	\$4,771,155	\$4,852,176	\$10,656	\$4,862,832	\$4,847,115	\$10,656	\$4,857,771
General Fund	31.05	0	0	0	0	0	0	0
State Special Revenue Fund	2,207,572.19	2,480,997	2,523,131	5,541	2,528,672	2,520,500	5,541	2,526,041
Federal Special Revenue Fund	2,157,330.32	2,290,158	2,329,045	5,115	2,334,160	2,326,615	5,115	2,331,730
Total Funding Costs	\$4,364,933.56	\$4,771,155	\$4,852,176	\$10,656	\$4,862,832	\$4,847,115	\$10,656	\$4,857,771

Goals

- o To take applications for programs of public assistance and determine, in a timely manner, which, if any, programs the applicant is qualified to receive.
- o To disseminate information concerning programs of assistance to the local communities.
- o To determine whether or not recipients of public assistance continue to meet requirements of receiving assistance according to state and federal law.

Authorization

53-2-201, MCA; 53-2-305, MCA. The department has a general grant of authority to administer public assistance programs. County departments are under the supervision of SRS.

Base Program

The Eligibility Determination program includes the county level eligibility technician staff and clerical support staff. In the 44 nonassumed counties, the county welfare directors are supervised by the local county commissioners and are funded with a mix of county funds and federal funds. Although the staff is not directly supervised by SRS, the department does provide administrative support to the counties in terms of personnel and general support operations. The department is also responsible for assuring the federally funded programs are in compliance with federal law and regulations. Nonassumed county staff perform basically the same functions as state assumed staff and are responsible for determining the eligibility of applicants for the local General Relief Assistance, AFDC, Medicaid and Food Stamp programs.

Base Funding

Funding for this program is a mix of 52 percent county funds and 48 percent federal funds.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Eligibility Tech.	196.1	196.1	196.1	196.1
Cases/Technician	178	178	178	178

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

No changes were made to the base other than adjustments in personal services to reflect new benefit rates as specified by OBPP.

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	53.00	55.00	53.00	-2.50	50.50	53.00	-2.50	50.50
Personal Services	1,376,604.65	1,599,888	1,493,400	-51,588	1,441,812	1,492,223	-51,565	1,440,658
Operating Expenses	964,445.92	1,027,635	1,092,073	-7,981	1,084,092	1,103,060	-13,059	1,090,001
Equipment	42,858.85	30,464	30,464	0	30,464	30,464	0	30,464
Total Agency Costs	\$2,383,909.42	\$2,657,987	\$2,615,937	\$-59,569	\$2,556,368	\$2,625,747	\$-64,624	\$2,561,123
General Fund	989,101.16	828,809	743,802	-77,518	666,284	746,145	-80,123	666,022
State Special Revenue Fund	209,622.24	223,718	211,028	324	211,352	212,090	298	212,388
Federal Special Revenue Fund	1,185,186.02	1,593,104	1,654,410	-78,904	1,575,506	1,660,790	-81,446	1,579,344
Proprietary Fund	0.00	12,356	6,597	96,529	103,226	6,722	96,647	103,369
Total Funding Costs	\$2,383,909.42	\$2,657,987	\$2,615,937	\$-59,569	\$2,556,368	\$2,625,747	\$-64,624	\$2,561,123

Overview

The Administrative and Support Services program consists of two units: the Director's Office and the Support Services Division. The program's mission is to provide the overall agency direction for policy development, budgeting and coordination of the various human services programs.

The Director's Office includes the Director, Deputy Director, Personnel Services and the Office of Legal Affairs. This office provides the agency's overall direction for policy development, budgeting and coordination of the delivery of human services to eligible Montana citizens.

The Support Services Division's mission is to provide administrative services to the Department's program divisions. The services include all receiving and disbursing of funds; reporting required by federal agencies and various state

agencies; processing the payroll for 887 employees; payment of all operating costs and subsequent processing of all documents into the Statewide Budgeting and Accounting System; conduct fair hearings for clients contesting eligibility and all mailing, forms distribution, and provision of space and communications equipment for district and assumed county offices.

Goals

0 To provide overall policy direction to the department divisions in providing human services in an effective and efficient manner to all eligible Montana residents as directed by the Governor, the state legislature and Congress.

- o To provide the support services necessary to allow the department central office, district offices and county offices to function effectively in the delivery of human services to department clients.

Authorization

The administrative organization of the Department is contained in MCA Sections 2-15-104, structure of the Executive Branch of Montana state government; 2-15-112, department head duties and responsibilities; 2-15-2201, Department responsibilities and 53-2-201, power and duties of the Department.

Base Program

The base program consists of 53.0 FTE. Staff includes the Director's Office, Office of Legal Affairs, Personnel Services, Fiscal Bureau, Facilities Support Bureau and clerical support.

Through the Director's Office, this program provides the overall policy direction, leadership and support services necessary for central office and county office staffs to administer the level of human services required to meet state and federal mandates. The Director's Office also oversees the budget services function that includes policy analysis for budget impact, planning for the allocation of resources, preparation of the budget and management of the budget.

Functions of this program include: 1. The Director, who provides leadership, policy direction and guidance to the entire department. 2. Personnel Services section that is responsible for the administration of the employee classification and pay

plans; conduct labor negotiations; development of an affirmative action plan for equal employment opportunity and employment of the handicapped and staff development guidance. 3. The Office of Legal Affairs, that supervises the overall legal efforts of the department, supervises staff attorneys and maintains liaison with retained attorneys.

The Support Services Division provides general administrative support for the department. Its functions include: purchasing, payroll, fiscal, support services and follow-up of department audits performed by various federal and state agencies through the following bureaus:

1. Fiscal Bureau receives, disburses and accounts for all department funds. The Bureau also prepares federal financial reports and cash forecasts and is responsible for purchasing and the processing of payroll for 887 employees.
 2. Facilities Support Bureau is responsible for all mail operations, supply and forms distribution, records management, property accounting, word processing services and statewide SRS office space procurement and general housekeeping functions.
- This Bureau also supervises the Office of Fair Hearings that conducts all fair hearings and contested cases for the department as requested by public assistance recipients and acts as an impartial hearings examiner.

In fiscal 1991, the Data Processing Bureau and the Telecommunications Project for the Handicapped were moved to the Office of Management Analysis and Systems as part of the department's reorganization.

Base Funding

Funding for this program is 29 percent state general fund; 8 percent county funds from the nonassumed counties and 63 percent from various federal grants including: Medicaid, Vocational Rehabilitation, AFDC, LIEAP and Food Stamps.

Funding percentages are determined by use of an Indirect Cost Allocation Plan developed by the Department and approved by the federal government.

Performance Indicators

When new service programs are established or existing programs are expanded, as evidenced by the 1989 state legislative and Congressional actions, management must provide policy direction, leadership and services to assure that effective implementation of change is made and that efficiencies are considered to remain within funding provided for those services.

The Office of Legal Affairs provides legal services and counsel to department staff; the Personnel Services section processes job applications and handles various personnel related records and activities.

Deadlines are met as required for filing reports, mailing of AFDC warrants, processing of payroll so employees are paid on specified dates and

processing of operating and service contract invoices so vendors and providers are paid in a timely manner.

As workloads fluctuate based on clients caseloads, new program reporting requirements, staff mobility and changing economics, the performance of this function is a reaction to changing demands rather than an action in planning, i.e., we have very little control or input into workload requirements of the service activities performed.

There are parameters within which caseload changes (up or down) have only minor impact on Support Services. By the same token, adding or deleting a complete program could have a noticeable impact.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

Proprietary funds were increased by approximately \$75,000 each fiscal year and general funds were decreased to reflect cost allocations to the Child Support Enforcement Division.

A reduction of \$8,517 was made in fiscal 1992 and \$13,285 in fiscal 1993 to reflect an anticipated decrease in postage as a result of implementing The Economic Assistance Management System.

As part of a department-wide reduction of 9.99 FTE, 2.5 FTE were eliminated from this program.

A funding adjustment was made to correct the programs funding ratios. General fund was increased and federal funds were decreased by \$40,000 each fiscal year. Offsetting adjustments were made in the Office of Management Analysis and Systems.

CHILD SUPPORT ENFORCEMENT DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	86.74	116.00	116.00	.00	116.00	116.00	.00	116.00
Personal Services	1,589,262.00	2,715,989	2,779,668	6,260	2,785,928	2,775,189	6,257	2,781,446
Operating Expenses	655,784.00	940,794	959,435	322,039	1,281,474	951,314	373,574	1,324,888
Equipment	350,096.30	28,000	0	51,765	51,765	0	6,329	6,329
Local Assistance	11,168.70	35,000	35,000	0	35,000	35,000	0	35,000
Total Agency Costs	\$2,606,311.00	\$3,719,783	\$3,774,103	\$380,064	\$4,154,167	\$3,761,503	\$386,160	\$4,147,663
Federal Special Revenue Fund	1,714,927.00	2,488,309	2,504,713	259,463	2,764,176	2,496,245	270,248	2,766,493
Proprietary Fund	891,384.00	1,231,474	1,269,390	120,601	1,389,991	1,265,258	115,912	1,381,170
Total Funding Costs	\$2,606,311.00	\$3,719,783	\$3,774,103	\$380,064	\$4,154,167	\$3,761,503	\$386,160	\$4,147,663

Overview

The Child Support Enforcement (CSE) program was created to help Montana families achieve financial independence through the receipt of regular support payments from absent parents. The program is also responsible for collecting support from absent parents to offset the taxpayer contribution to Aid to Families with Dependent Children (AFDC) funding. Program services necessary to accomplish these ends include: locating absent parents, identifying eligible child support assets, establishing paternity for children born out of wedlock, establishing and enforcing child support obligations, collecting and distributing support payments and ensuring that absent parents maintain medical health insurance coverage for their dependent children.

Goals

- 0 To promote self-sufficiency for Montana AFDC families and for non-welfare applicant families by collecting the maximum support to which they are entitled under federal and state child support laws.
- 0 To operate the CSE program in the most cost-effective manner so as to: 1) reduce general fund expenditures for welfare, and 2) provide maximum reimbursement to the general fund.
- 0 To insure the program is operated in accordance with federal regulations and federal audit criteria.

Authorization

The CSE program is established in Title IV, Part D, of the Social Security Act and operated under federal regulations contained in 45 CFR, Section 300. The Department of SRS is granted authority to take child support enforcement actions in Section 10-5-202, MCA.

Base Program

The CSE program is operated by the CSE Division of the Department of SRS. The program receives mandatory referrals from county Human Services Offices when AFDC benefits are approved due to the absence and nonsupport of one or both parents of dependent children. At the time a divorce involving children is granted or modified in a Montana District Court, the family is directed to apply for enforcement services. In addition, any family not receiving public assistance may apply to the program for any of its services.

The program was transferred to the Department of SRS from the Department of Revenue by the 51st Session of the Montana Legislature in 1989. At the same time, additional resources were added to the program (a total of 70 FTE by fiscal year 1991) and the program was granted the authority to attain the state portion of its administrative costs from its own collections rather than the general fund. The primary intent of these changes was to allow flexible resource management and permit the program to increase its caseload penetration. This change was seen as a way to maximize collection potential and to minimize the risk of sanction for failure to meet federal audit criteria.

Case activity for the program's current 22,000 plus cases is carried out in four regional offices (Great Falls, Billings, Butte and Missoula). A Helena regional office is responsible for assisting families residing outside Montana to obtain child support from absent parents living in Montana. Administrative/support functions, such as policy administration, fiscal and technical support, absent parent location, receiving and processing of child support payments, training and internal auditing, are provided from the Helena central office.

The additional FTE authorized by the 51st Session of the Montana Legislature are necessary to bring the Montana Child Support Enforcements program into compliance with federal requirements passed as part of the Child Support Amendments of 1984 and the Family Support Act of 1988. Some of the increased effort includes: enforcement of medical insurance coverage for dependent children of absent parents, continued provision of child support enforcement services to all families whose AFDC benefits cease, automatic income withholding from all obligor parents and increased paternity establishment.

Base Funding

Funding of program administrative costs is reimbursed in major part with federal funds from the Department of Health and Human Services, Family Support Administration. Federal financial participation at the rate of 66 percent is provided for all activities except approved automated system development (see the SEARCHS Program, Office of Management Analysis and Systems) and the cost of blood testing for paternity determination, both of which are funded at the 90 percent enhanced rate.

The state portion of program administrative costs is derived from a Proprietary Revenue fund known as the Child Support Enterprise Fund. The state portion of collections made for families receiving AFDC benefits, federal incentives on both AFDC and non-welfare collections and child support fees collected from absent parents generate revenue for this fund.

Performance Indicators

The 51st Montana Legislature required the program to reach specific cost-effectiveness targets in each year of the 1990-1991 biennium. These targets are defined as the dollar return in collections to the enterprise fund for each dollar expended to cover program administrative costs: \$1.25 in fiscal 1990 and \$1.69 in fiscal 1991.

Increase or Decrease from Base

Modifications

The CSE Division proposes additional funding to be used to contract privately for additional administrative and clerical assistance as a modification to the 1993 biennium budget. The proposed increase is in object of expenditure 2102, consultation and professional services. The proposed increase for fiscal 1992 is \$373,503 and for fiscal 1993 is \$379,776.

The 1989 legislature authorized a substantial staff increase to help the program achieve compliance with federal regulations and thus to prevent the imposition of audit sanctions against federal AFDC funding. Although the added resources have achieved the desired effect with regard to 1987 audit

standards, they have not been adequate to bring the program up to 1990 operational requirements. Federal regulations passed in late 1989 and 1990 have increased caseloads and required much more thorough and timely activity on caseloads. Additional resources in the areas of administrative and clerical assistance will be needed to bring the program to 1990 performance standards and keep the program in compliance with federal audit requirements.

The following table reflects the category of expenditure and funding for this budget modification:

	<u>FY92</u>	<u>FY93</u>
FTE		
Personal Services		
Operating	373,503	379,776
Equipment		
Benefits & Claims		
Total	<u>373,503</u>	<u>379,776</u>
General Fund		
State Special		
Federal	246,512	250,652
Proprietary	<u>126,991</u>	<u>129,124</u>
Total	<u>373,503</u>	<u>379,776</u>
<u>Other Increases/Decreases</u>		

Funds have been reallocated among third level objects of expenditure based upon expected needs during fiscal 1992 and 1993.

COUNTY ADMINISTRATION

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	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Operating Expenses	1,060,852.87	958,655	1,020,096	-31,999	988,097	1,021,983	-31,999	989,984
Equipment	19,248.61	16,019	16,019	0	16,019	16,019	0	16,019
Total Agency Costs	\$1,080,101.48	\$974,674	\$1,036,115	\$-31,999	\$1,004,116	\$1,038,002	\$-31,999	\$1,006,003
General Fund	637,680.12	534,726	572,950	-23,000	549,950	574,097	-23,000	551,097
Federal Special Revenue Fund	442,421.36	439,948	463,165	-8,999	454,166	463,905	-8,999	454,906
Total Funding Costs	\$1,080,101.48	\$974,674	\$1,036,115	\$-31,999	\$1,004,116	\$1,038,002	\$-31,999	\$1,006,003

Overview

The operating costs of the 12 state assumed Counties is a state responsibility. Each of these counties levies twelve mills annually to be deposited in the state special revenue fund for the purpose of paying expenses of the Department of SRS.

Goals

- o To provide adequate space in field offices in the twelve state assumed counties to enable staff to perform duties mandated by law.
- o To provide a quantity of supplies and equipment necessary for staff to fulfill the job duties required.

Authorization

53-2-201, MCA; 53-2-801, et seq., MCA. The department has a general grant of authority to administer public assistance in state assumed

counties.

Base Program

This program includes the majority of operating and equipment costs associated with the administration of welfare programs in the 12 counties where the state has assumed responsibility for the county welfare programs. Personal services, benefits and the remaining operational costs associated with state assumption of county welfare programs are contained in the Family Assistance and Eligibility Determination programs.

This program pays for office space, supplies and equipment for the assumed counties and, through accounting procedures, allocates costs as necessary for continued operation of the local offices.

Base Funding

This program is funded though a mix of 55 percent general fund and 45 percent federal funds.

Department of SRS

County Administration

Performance Indicators

Office space is provided to approximately 200 employees in the 12 state assumed counties. Equipment and supplies are also purchased as necessary to maintain operations at the local level.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

The operational budget was reduced by almost \$32,000 in fiscal 1992 and 1993. The internal reorganization of SRS moved \$12,000 of expenditures from this program to the Medicaid Services Division for State Medical operating costs and \$20,000 to the Family Assistance Division for maintenance of the General Assistance on-line data entry system.

An additional \$28,415 was moved within operations from consultational and professional services to non-Department of Administration rent. This adjustment reflects a priority change of spending administrative funds within this program.

MEDICAID SERVICES DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	41.99	41.99	41.99	-1.49	40.50	41.99	-1.49	40.50
Personal Services	1,017,582.09	1,280,480	1,334,144	-38,215	1,295,929	1,332,368	-38,236	1,294,132
Operating Expenses	2,573,225.97	2,642,153	2,635,433	1,131,960	3,767,393	2,633,646	662,400	3,296,046
Equipment	79,471.56	3,198	3,198	0	3,198	3,198	0	3,198
Benefits and Claims	183,780,179.37	192,343,539	213,763,358	2,370,813	216,134,171	231,460,790	12,064,507	243,525,297
Total Agency Costs	\$187,450,458.99	\$196,269,370	\$217,736,133	\$3,464,558	\$221,200,691	\$235,430,002	\$12,688,671	\$248,118,673
General Fund	48,887,271.03	49,596,140	55,913,280	-4,890,618	51,022,662	60,767,214	-2,354,655	58,412,559
State Special Revenue Fund	6,906,998.70	7,030,000	7,030,000	65,000	7,095,000	7,030,000	127,000	7,157,000
Federal Special Revenue Fund	131,656,189.26	139,643,230	154,792,853	8,104,247	162,897,100	167,632,788	14,587,832	182,220,620
Proprietary Fund	0.00	0	0	185,929	185,929	0	328,494	328,494
Total Funding Costs	\$187,450,458.99	\$196,269,370	\$217,736,133	\$3,464,558	\$221,200,691	\$235,430,002	\$12,688,671	\$248,118,673

Overview

Under Title XIX of the Social Security Act and Montana State Statute, the staff of the Medicaid Services Division administers the Medicaid program. The Medicaid program is a joint Federal/State funded program designed to meet the cost of medical care for identified low income groups: persons aged 65 and over, the blind, the disabled, members of families with dependent children and poverty-related pregnant women and children. Montana Medicaid also covers medically needy individuals who have income in excess of AFDC or SSI income thresholds, but have sufficient medical bills that reduce their countable income to medically needy income thresholds. The process of counting medical bills against income is known as "spenddown".

Within Federal guidelines, the state has the flexibility to determine who is eligible for the program, what medical services are covered and the amounts paid to providers for services. At a minimum, states are required to provide certain medical services. These include inpatient and outpatient hospital services, physician services, skilled nursing care, early periodic screening diagnosis and treatment for children (EPSDT), lab and x-ray, home health, family planning and rural health clinic services. At their option, states can provide other services, such as prescription drugs, dental care, eyeglasses, hearing aids and intermediate care facility services (ICF). Montana covers all optional services except targeted case management, chiropractic services and christian science sanatoria. Statutory authority for the program is provided for in Title 53, Chapter 6, MCA.

The Medicaid program also administers the State Medical Program which is designed to provide medical care to low income persons who do not qualify for Medicaid. This program is 100 percent state funded.

While the impact cannot be estimated accurately at this time, the Federal Omnibus Budget Reconciliation Act of 1989 (OBRA 89) will have an impact on Medicaid Primary Care Programs. In addition, Congress passed OBRA 90 in October of 1990. The impact of this major legislation is currently under review by the Department. While the fiscal impact cannot be fully estimated at this time, it will have a major impact on Montana's Medicaid program.

A federal "pass through" grant is administered by the program: funds are passed through to Indian Health Services for various health services on Indian Reservations.

MEDICAID ADMINISTRATION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	41.99	41.99	41.99	-1.49	40.50	41.99	-1.49	40.50
Personal Services	1,017,582.09	1,280,480	1,334,144	-38,215	1,295,929	1,332,368	-38,236	1,294,132
Operating Expenses	2,573,225.97	2,642,153	2,635,433	1,131,960	3,767,393	2,633,646	662,400	3,296,046
Equipment	79,471.56	3,198	3,198	0	3,198	3,198	0	3,198
Total Agency Costs	\$3,670,279.62	\$3,925,831	\$3,972,775	\$1,093,745	\$5,066,520	\$3,969,212	\$624,164	\$4,593,376
General Fund	1,304,199.92	2,021,720	1,539,848	493,784	2,033,632	1,537,886	392,993	1,930,879
State Special Revenue Fund	0.00	0	0	134,000	134,000	0	0	0
Federal Special Revenue Fund	2,366,079.70	1,904,111	2,432,927	465,961	2,898,888	2,431,326	231,171	2,662,497
Total Funding Costs	\$3,670,279.62	\$3,925,831	\$3,972,775	\$1,093,745	\$5,066,520	\$3,969,212	\$624,164	\$4,593,376

Goals

- o To promote the timely and economic delivery of appropriate health care to eligible recipients in accordance with state and federal guidelines.

Authorization

- o To implement effective utilization control programs to ensure appropriate utilization of services by providers and recipients.
- o To promote recipient awareness of the services for which they are eligible and improve the accessibility of those services.
- o To promote efficiency and quality within the total health care delivery system.

Base Program

- o To insure that providers receive prompt payment for the delivery of services.
 - o To manage program expenditures in accordance with federal limits and state appropriations.
- The Medicaid program provides services to approximately 60,000 recipients through an estimated 6,000 different practitioners, facilities and clinics. Of this number, approximately 2,500 are physicians, 530 are dentists, 360 are pharmacies, 102 are nursing homes and 60 are hospitals. The balance of providers are other practitioners including clinics, home health agencies, nurses, etc.

Some services must be prior authorized by medical consultants or state staff (e.g., certain dental services, therapies, hearing aids and speech devices, durable medical equipment). Many services have service limits (e.g., psychologists' services are limited to 22 hours per fiscal year). Inpatient hospital admissions and nursing home admissions are prior authorized by the Montana/Wyoming Foundation for Medical Care or state Medicaid staff. Recipients are charged a nominal copayment for most services.

The Administration Unit is responsible for managing the Division and includes administrative and clerical support service staff. The objective of the Administration Unit is to provide overall policy direction for the Division and manage the workload within allocated resources.

The Long Term Care Bureau is responsible for the planning and implementation of program and reimbursement policies for long-term care which includes: nursing care, home and community services and personal care. The bureau supervises ten (10) Long Term Care Specialists located in field offices across the state.

The Primary Care Bureau is responsible for planning and implementation of programs and reimbursement policies including acute care and health maintenance services.

The Utilization Review Bureau is responsible for the planning and implementation of utilization control policies to insure only medically necessary services are provided. The bureau also manages the contract with the Montana/Wyoming Foundation for Medical Care.

The Division contracts with Consultec, Inc. to receive and process Medicaid claims. Approximately 1,500,000 claims are processed each year.

The objectives of the Administration activity will be to ensure that quality services are provided to adults and children each year of the 1993 biennium.

Base Funding

The base program is jointly funded by federal and general funds. The overall funding mix for the Administration activity is approximately 60 percent federal funds and 40 percent general fund. Most operating costs are funded at 50/50, however, various functions have different match rates. The contract for claims processing is funded with 75 percent federal funds as are activities which qualify as Skilled Medical Professionals. Computer enhancements to the claims processing system are funded at 50/50, 75/25 and 90/10, depending on the type of modification being made.

Performance Indicators

<u>Number Served</u>	FY90			FY91		FY92		FY93	
	<u>Actual</u>			<u>Enacted</u>		<u>Base</u>		<u>Base</u>	
Children	29,647			30,246		30,845		31,462	
Adults	30,125			31,119		32,146		33,207	
FTE's	42.99			42.99		40.50		40.50	

Increase or Decrease from Base

Modifications

1. Hospital Rate Study, State Medical Managed Care and Additional Nursing Home Audits: In order to take advantage of the refinements in the Medicare prospective payment system, an evaluation of Montana's Medicaid inpatient hospital prospective payment system must be performed. This evaluation would define current problems in the system and determine if refinements and future changes in reimbursement policy is necessary. The cost of this evaluation is \$253,560 in 1992 and \$52,000 in 1993.

The Division is also contracting for managed care for the state medical program. The cost of this function is expected to be \$150,000 per year and may save up to 6 times the cost of the function in program costs. In order to keep nursing home rates updated and reasonable, additional audits will be necessary each year. The division would contract with independent CPA's to perform these audits. The cost would be \$30,600 per year. Total additional cost of these modifications would be \$434,160 in 1992, of which \$292,080 is general fund and \$232,600 in 1993, of which \$191,300 is general fund.

The following table reflects the category of expenditure and funding for this budget modification:

FY92 FY93

FTE

Personal Services		
Operating	434,160	232,600
Equipment		
Benefits & Claims		
Total	<u>434,160</u>	<u>232,600</u>
General Fund		
State Special	292,080	191,300
Federal		
Proprietary	142,080	41,300
Total	<u>434,160</u>	<u>232,600</u>

2.

Baby Your Baby: This is a two year community outreach, referral and public awareness effort involving a multi-media approach directed primarily to pregnant women and secondarily to all women of child bearing age. The campaign is designed to educate and motivate expectant mothers to enroll in a medical support program early in the pregnancy to obtain continuous and effective care. The Baby Your Baby program in Utah was named as the outreach program of the year by the National Governors' Association. It is funded with private sector donations which match federal funds. No general fund is used in this program. Total cost of this program is \$268,000 in fiscal 1992.

The following table reflects the category of expenditure and funding for this budget modification:

	<u>FY92</u>	<u>FY93</u>
General Fund	86,400	86,400
State Special		
Federal	86,400	86,400
Proprietary		
Total	<u>172,800</u>	<u>172,800</u>

Other Increases/Decreases

The Medicaid Services Division (MSD) deleted 1.49 FTE formerly used to perform final review of disability determinations. These reviews are performed by physician consultants. The personal services budget for this division has been reduced by slightly more than \$38,000 per year for each year of the biennium.

Management of the state medical program was transferred from the Family Assistance Division to MSD as of July 1, 1990. Accordingly, \$170,000 in operation costs related to state medical was transferred to MSD from Family Assistance. Later, an additional \$12,000 was identified as related to State Medical and was transferred to MSD from Family Assistance. Another adjustment to the base related to the psychiatric utilization review function for residential and inpatient psychiatric programs. A contract for \$245,000 was awarded to Mental Health Management of America to review the utilization and medical necessity of psychiatric services under the Montana Medicaid program. These amounted to a total base adjustment increase for Medicaid operations of \$257,000.

	<u>FY92</u>	<u>FY93</u>
FTE		
Personal Services		
Operating	268,000	-0-
Equipment		
Benefits & Claims		
Total	<u>268,000</u>	<u>-0-</u>
General Fund		
State Special	134,000	-0-
Federal	134,000	-0-
Proprietary		
Total	<u>268,000</u>	<u>-0-</u>

3. OBRA 87 Nurse Aide Testing: The cost of testing Nurses Aides as required under OBRA 87 is \$172,800 per year, of which \$86,400 is general fund.

The following table reflects the category of expenditure and funding for this budget modification:

	<u>FY92</u>	<u>FY93</u>
FTE		
Personal Services		
Operating	172,800	172,800
Equipment		
Benefits & Claims		
Total	<u>172,800</u>	<u>172,800</u>

DHES SURVEYS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	89,160.20	261,524	261,524	-261,524	0	261,524	-261,524	0
Total Agency Costs	\$89,160.20	\$261,524	\$261,524	\$-261,524	\$0	\$261,524	\$-261,524	\$0
Federal Special Revenue Fund	89,160.20	261,524	261,524	-261,524	0	261,524	-261,524	0
Total Funding Costs	\$89,160.20	\$261,524	\$261,524	\$-261,524	\$0	\$261,524	\$-261,524	\$0

Goals

- 0 To ensure appropriate care and treatment in accordance with federal standards for persons who reside in nursing facilities funded through the Medicaid program.

Authorization

53-6-106, MCA, 42 U.S.C. 1302, 42 C.F.R. Parts 442, 483 and 488. Health care facility standards and certification for participation in the Medicaid program are briefly set forth in state statutes and more specifically detailed in federal law.

Base Program

Nursing facilities must comply with the nursing home certification requirements established by the federal government in order to receive Medicaid reimbursement. The Medicaid Services Division contracts with the Licensing and Certification Bureau of the Department of Health and Environmental Sciences (DHES) to inspect the 102 facilities that participate in the Medicaid program. Certification

is based on the results of annual unannounced on-site surveys to assess each facility's compliance with the applicable federal requirements. Once certification is achieved, the Medicaid Services Division enters into a provider agreement with the nursing facility. In addition to its survey activities, DHES also investigates any allegations concerning the abuse or neglect of nursing facility residents.

The Omnibus Budget Reconciliation Act (OBRA) of 1987 introduced a number of additional requirements for nursing facilities. Changes mandated by OBRA will have an impact on the way services are provided in nursing facilities as well as the way in which surveys are conducted by DHES. Understanding and complying with the new OBRA requirements will be a challenge to nursing facility service providers, DHES and the Medicaid program in general.

Base Funding

The DHES survey activity is jointly funded by federal and general funds. The funding mix for expenditures in this activity will be 71.71 percent

federal funds and 28.29 percent general fund in fiscal 1992 and 71.9 percent federal funds and 28.1 percent general fund in fiscal 1993. Only the federal portion of funding for this program is appropriated to SRS. The general fund match is appropriated to the Department of Health and Environmental Sciences.

Performance Indicators

<u>Workload Measure</u>	FY90		FY91		FY92		FY93	
	<u>Actual</u>	<u>Enacted</u>	<u>Base</u>	<u>Base</u>	<u>Base</u>	<u>Base</u>	<u>Base</u>	<u>Base</u>
	None Currently Enacted							

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

The federal government has approved Montana's request to allow the DHES to directly receive the federal share of the Medicaid funding for survey and certification. As a result of this change, an SRS budget appropriation for Medicaid survey and certification funds is no longer required.

NURSING HOMES

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Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	53,109,456.07	59,778,201	62,139,198	280,978	62,420,176	64,624,766	7,061,771	71,686,537
Total Agency Costs	\$53,109,456.07	\$59,778,201	\$62,139,198	\$280,978	\$62,420,176	\$64,624,766	\$7,061,771	\$71,686,537
General Fund	15,165,174.22	16,953,097	17,569,920	88,747	17,658,667	18,153,079	2,240,051	20,393,130
Federal Special Revenue Fund	37,944,281.85	42,825,104	44,569,278	192,231	44,761,509	46,471,687	4,821,720	51,293,407
Total Funding Costs	\$53,109,456.07	\$59,778,201	\$62,139,198	\$280,978	\$62,420,176	\$64,624,766	\$7,061,771	\$71,686,537

Goals

- To ensure that quality nursing home services are provided in accordance with state and federal standards to the Medicaid eligible individuals who require them.

Authorization

53-6-101(2)(d) and (n) MCA; 53-6-101 et seq., MCA; 42 U.S.C. 1396 et seq.; 42 C.F.R. 442, Subpart E and F; 42 C.F.R. 483. The Montana Medicaid program is authorized to make payments for long-term care medical services provided in nursing homes.

Base Program

The Medicaid nursing home program provides reimbursement for short and long-term nursing care to Medicaid eligible persons. During fiscal 1990, approximately 62 percent of the total number of nursing home beds in the state were funded through the Medicaid program and approximately 4,000 persons per month receive nursing home services funded by

Medicaid. Currently, 96 nursing home providers are certified as eligible to receive Medicaid reimbursement. These providers include public, private nonprofit and private proprietary organizations located in 66 towns and cities across the state.

Nursing homes are reimbursed under a complex formula that establishes a fixed rate per day. The rate per day is calculated prospectively and incorporates such factors as property costs, staffing, geographical cost factors and the severity of need of the individual residents of the facility.

In addition to the regular long-term and short-term care, the nursing home program also includes funding for one privately operated Intermediate Care Facility for the Mentally Retarded (ICF/MR) as well as hospital "swing" beds that may be used to provide both acute hospital and longer term nursing care services.

Increasingly, the nursing home service providers are questioning both the adequacy and fairness of

the current Medicaid reimbursement structure. In order to address this issue, the Department, in cooperation with providers, has commissioned a study of Montana's nursing home reimbursement system by a nationally recognized health care consulting firm. The results of this study will be available for consideration by the legislature when setting reimbursement levels for nursing facilities for the coming biennium.

Base Funding

The nursing home program is jointly funded by federal and general funds. The funding mix for expenditures in this activity will be 71.71 percent federal funds and 28.29 percent general fund in fiscal 1992 and 71.9 percent federal funds and 28.1 percent general fund in fiscal 1993.

Performance Indicators

Workload Measure	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
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Bed Days	1,333,155	1,360,000	1,365,432	1,392,741
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Increase or Decrease from Base

Modifications

- OBRA 87 - DD TREATMENT:

The Omnibus Budget Reconciliation Act (OBRA) of 1987 requires that states evaluate the needs of persons with developmental disabilities who reside in nursing facilities. OBRA gives some of these persons the right

to remain in nursing facilities and receive special services or to move to community-based service alternatives. The required evaluations are complete; 85 persons have chosen community placement while 125 have chosen specialized services in nursing facilities. Services will be phased-in during fiscal 1993 at a cost of \$1,407,070 (\$672,470 federal funds and \$644,600 general fund). Community services will be administered by the Medicaid Services Division in cooperation with Developmental Disabilities Division and will require 100 percent state funding.

The following table reflects the category of expenditure and funding for this budget modification:

FTE	FY92		FY93	
Personal Services				
Operating				
Equipment				
Benefits & Claims	-0-		1,407,070	
Total	-0-		1,407,070	
General Fund	-0-		644,600	
State Special	-0-		762,470	
Federal	-0-			
Proprietary	-0-		1,407,070	
Total	-0-		1,407,070	

2. NURSING HOME RATE RE-BASING:

The Nursing Facility Reimbursement Study commissioned by SRS identified a difference of \$8.57 per day between the estimated average cost of nursing facility care and projected daily Medicaid reimbursement in fiscal year 1991. This proposed modification to the nursing home budget would fund 90 percent of the difference between the study's estimated fiscal 1991 total costs and the projected fiscal 1991 Medicaid nursing facility reimbursement levels. The increase will be phased in over the next biennium:

The following table reflects the category of expenditure and funding for this budget modification:

FTE	<u>FY92</u>	<u>FY93</u>
Personal Services		
Operating		
Equipment		
Benefits & Claims	<u>5,153,957</u>	<u>10,742,204</u>
Total	<u>5,153,957</u>	<u>10,742,204</u>
General Fund		
State Special	1,458,054	3,018,559
Federal		
Proprietary	<u>3,695,903</u>	<u>7,723,645</u>
Total	<u>5,153,957</u>	<u>10,742,204</u>

Department of SRS

3. NURSING HOME FEE ADJUSTMENT:

The Medicaid rates for nursing facilities must be adjusted to pay the proposed \$1.00 per bed day nursing facility utilization fee. The fee would be collected from facilities beginning in fiscal 1993 and received as revenue by the State of Montana. The total cost of Medicaid reimbursement for the fee is projected to be \$1,392,704. Of that total, \$1,001,354 are federal funds while \$391,350 are state general fund dollars.

The following table reflects the category of expenditure and funding for this budget modification:

FTE	<u>FY92</u>	<u>FY93</u>
Personal Services		
Operating		
Equipment		
Benefits & Claims	<u>-0-</u>	<u>1,392,704</u>
Total	<u>-0-</u>	<u>1,392,704</u>
General Fund		
State Special	-0-	391,350
Federal		
Proprietary	<u>-0-</u>	<u>1,001,354</u>
Total	<u>-0-</u>	<u>1,392,704</u>

Medicaid Services Division

Other Increases/Decreases

Total modified level budget increases of \$5,153,957 in fiscal 1992 were offset by a decrease of \$4,872,979. In fiscal 1993, the total modified level increases of \$13,541,978 were offset by a decrease of \$6,480,207. The decreases were made to reflect a lower rate of increase in the number of nursing home bed days. The net increase for fiscal 1992 is \$280,978 while the net increase for fiscal 1993 is \$7,061,771.

ELDERLY AND DISABLED WAIVER

69010707.980

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	4,720,793.00	4,972,458	4,972,458	264,715	5,237,173	4,972,458	356,350	5,328,808
Total Agency Costs	\$4,720,793.00	\$4,972,458	\$4,972,458	\$264,715	\$5,237,173	\$4,972,458	\$356,350	\$5,328,808
General Fund	1,352,507.20	1,410,189	1,406,708	74,888	1,481,596	1,397,261	100,134	1,497,395
Federal Special Revenue Fund	3,368,285.80	3,562,269	3,565,750	189,827	3,755,577	3,575,197	256,216	3,831,413
Total Funding Costs	\$4,720,793.00	\$4,972,458	\$4,972,458	\$264,715	\$5,237,173	\$4,972,458	\$356,350	\$5,328,808

Goals

- o To provide in-home and other community services to individuals as an alternative to institutionalization.
- o To ensure appropriate care and treatment in accordance with federal regulations and standards for persons who reside in their own homes.

Authorization

53-6-401, MCA; 53-6-402, MCA; 42 U.S.C. 1396n; 42 C.F.R. 441.300 to 441.310. The Montana Medicaid program is authorized to provide long-term care services to people in their homes as an alternative to institutional medical care.

Base Program

Federal legislation enacted in 1981 authorized states to request a waiver of certain Medicaid regulations to enable states to serve people in

their own homes as an alternative to institutional settings. Montana applied for and received a waiver in 1982. Elderly and physically disabled persons served in this program must require the same level of care as persons served in nursing homes. Services provided to help maintain recipients in their own homes are: case management, personal care, homemaker, transportation, habilitation, adult day care, respite, environmental modifications to the home, adaptive equipment, medical alert, meals, dietitian, respiratory therapy, nursing, speech and logical consultation, and physical, speech and occupational therapy. The average cost per recipient in the waiver program is 55 percent of the cost of nursing home care.

Medicaid waiver services for elderly and physically disabled persons are presently available in thirty Montana counties, however, people have been placed in nursing homes because they have not been able to enroll in the waiver programs and the program has developed a waiting list of 100 potential recipients.

Base Funding

This program is jointly funded by federal and general funds. The funding mix for expenditures will be 71.71 percent federal funds and 28.29 percent general fund in fiscal 1992 and 71.9 percent federal funds and 28.1 percent general fund in fiscal 1993.

Performance Indicators

Workload Measure	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Monthly Caseload				
Elderly	267	330	330	330
Disabled	157	174	174	174
Heavy Care	6	7	7	7
Total	430	511	511	511
Cost per Case				
Elderly	\$9,300	\$ 8,757	\$ 8,757	\$ 8,757
Disabled	\$11,760	\$ 8,478	\$ 8,478	\$ 8,478
Heavy Care	\$37,291	\$71,428	\$71,428	\$71,428

Increase or Decrease from Base

Modifications

There are approximately 100 elderly and disabled people who have applied and are waiting for Medicaid waiver services. This proposed modification to the waiver program budget would serve an additional 50 people during the coming biennium. Thirty-eight persons would receive services in fiscal 1992 at

a total cost of \$264,715, of which \$74,888 is general fund. An additional twelve persons would be served in fiscal 1993 at a total cost of \$356,350, of which \$100,134 is general fund.

The following table reflects the category of expenditure and funding for this budget modification:

	FY92	FY93
FTE		
Personal Services		
Operating		
Equipment		
Benefits & Claims	264,715	356,350
Total	264,715	356,350
General Fund	74,888	100,134
State Special		
Federal	189,827	256,216
Proprietary		
Total	264,715	356,350
Other Increases/Decreases		
None		

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	9,809,362.11	10,260,843	10,260,843	405,582	10,666,425	10,260,843	-360,904	9,899,939
Total Agency Costs	<u>\$9,809,362.11</u>	<u>\$10,260,843</u>	<u>\$10,260,843</u>	<u>\$405,582</u>	<u>\$10,666,425</u>	<u>\$10,260,843</u>	<u>\$-360,904</u>	<u>\$9,899,939</u>
Federal Special Revenue Fund	9,809,362.11	10,260,843	10,260,843	405,582	10,666,425	10,260,843	-360,904	9,899,939
Total Funding Costs	<u>\$9,809,362.11</u>	<u>\$10,260,843</u>	<u>\$10,260,843</u>	<u>\$405,582</u>	<u>\$10,666,425</u>	<u>\$10,260,843</u>	<u>\$-360,904</u>	<u>\$9,899,939</u>

Goals

- To ensure that quality services are provided to Medicaid eligible individuals in Montana's state operated long-term care institutions in accordance with state and federal standards.
- To maximize federal participation in the cost of operating the state institutions.

Authorization

53-6-101 et seq., MCA; 42 U.S.C. 1396 et seq.; 42 C.F.R. 405 Subpart K; 42 C.F.R. 442 Subpart C, E and F; 42 C.F.R. 483. The Montana Medicaid program is authorized to make payments for medical assistance provided in medical institutions.

Base Program

Six state operated institutions receive reimbursement under the Medicaid institutional reimbursement program. Two of the facilities,

Montana Developmental Center and Eastmont Human Services Center, are funded as Intermediate Care Facilities for the Mentally Retarded (ICF's/MR). Three facilities, Montana Veterans Center, Montana Center for the Aged and Galen State Hospital, are funded as Intermediate Care nursing Facilities (ICF's). Warm Springs State Hospital is the state's only Institution for Mental Diseases (IMD). The state's ICF's/MR and Warm Springs State Hospital are funded through a cost-based reimbursement system. The three intermediate care facilities are reimbursed through the regular nursing home prospective rate system. The Medicaid budget includes only the federal funds for these programs. The state general fund match is located in the Department of Institution's budget.

Base Funding

The nursing home program is jointly funded by federal and general funds. The funding mix for expenditures in this activity will be 71.71 percent federal funds and 28.29 percent general fund in fiscal 1992 and 71.9 percent federal funds and 28.1

percent general fund in fiscal 1993. As noted above, the Department of SRS is only appropriated the federal portion of the Medicaid reimbursement for institutions. The general fund match is appropriated to the Department of Institutions.

Performance Indicators

	FY92		
	<u>Bed Days</u>	<u>Cost/Day</u>	<u>Total Cost</u>
MVH	1,825	\$ 37.40*	\$ 68,250
MSH	6,205	\$110.72*	\$ 686,992
MCA	38,161	\$ 47.35*	\$1,807,016
EHSC	19,657	\$137.16*	\$2,696,230
MDC	43,321	\$221.97*	\$9,615,902

	FY93		
	<u>Bed Days</u>	<u>Cost/Day</u>	<u>Total Cost</u>
MVH	1,825	\$ 41.71*	\$ 76,114
MSH	6,205	\$117.59*	\$ 729,654
MCA	33,197	\$ 50.92*	\$1,690,333
EHSC	19,657	\$137.33*	\$2,699,421
MDC	40,150	\$213.54*	\$8,573,517

* Cost Per Day is rounded to the nearest dollar.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

The federal Medicaid funds required for this program were recomputed based on information supplied by

the Department of Institutions and adjustments were made accordingly.

These budget figures take into account the reduction in expenditures anticipated to occur at Montana Developmental Center and Galen as part of the Executive Budget proposal.

MEDICARE BUY-IN

	Fiscal 1990		Fiscal 1991	Fiscal 1992		Fiscal 1993	
	Actual		Appropriated	Base	Incr/Decr	Recommended	Recommended
Full Time Equivalent Employees	.00		.00	.00	.00	.00	.00
Benefits and Claims	4,337,485.45		12,592,654	5,178,800	0	5,178,800	5,697,000
Total Agency Costs	\$4,337,485.45		\$12,592,654	\$5,178,800	\$0	\$5,178,800	\$5,697,000
General Fund	2,254,576.83		4,239,656	2,485,824	0	2,485,824	2,734,560
Federal Special Revenue Fund	2,082,908.62		8,352,998	2,692,976	0	2,692,976	2,962,440
Total Funding Costs	\$4,337,485.45		\$12,592,654	\$5,178,800	\$0	\$5,178,800	\$5,697,000

Goals

- 0 To deflect costs from the Medicaid program to the Medicare program by maintaining Medicare Part A and Part B Insurance coverage for certain Medicaid recipients. To assist low income Medicare clients with their Medicare premiums, deductibles and coinsurance.

Authorization

53-6-101(4), MCA; 53-6-101 et seq., MCA; 42 U.S.C. 1396 d(p). The Montana Medicaid program authorizes the payment of Medicare premiums, deductibles and coinsurance.

Base Program

The Medicare Catastrophic Coverage Act of 1988 created the Qualified Medicare Beneficiary (QMB) Program and changed the structure of the Medicare Part B Buy-In Program. It also added the Part A program for certain individuals. Under the QMB

Program, Medicaid pays the premiums, deductibles and coinsurance of Medicare beneficiaries whose incomes fall below the federal poverty level and whose resources are less than twice the Supplemental Security Income (SSI) program limit. If the recipient is eligible for both Medicare and Medicaid, the provider must bill Medicare first before billing Medicaid. Medicare reimburses about 80 percent of the cost of medical care, thus reducing Medicaid's liability.

The implementation of the QMB Program has resulted in a significant number of Medicare Part B Buy-In recipients being converted to QMB and Medically Needy recipients with incomes below the QMB income limits. This has left mostly Medically Needy clients in the Medicare Buy-In program. The QMB Program also pays Part A premiums for more than 300 clients each month. The federal government establishes the premium rates for both Part A and Part B.

Base Funding

Overall funding of the Medicare Buy-In program is approximately 52 percent federal funds and 48 percent general fund. The department receives a federal match rate of approximately 72 percent for individuals who are either QMB's or receiving cash assistance. All other individuals who qualify for the program are supported by 100 percent general fund. The base program was adjusted to reflect current expenditure trends.

Performance Indicators

	FY90	FY91	FY92	FY93
	<u>Actual</u>	<u>Enacted</u>	<u>Base</u>	<u>Base</u>

Part A

Avg. Mo. Recip.	330	*	330	330
Avg. Mo. Rate	\$199.63	*	\$219.59	\$241.55

Part B

Avg. Mo. Recip.	8,986	17,418	9,708	10,171
Avg. Mo. Rate	\$33.55	\$43.90	\$36.99	\$38.84

* Funds for the Buy-In program were not appropriated at this level of detail due to the uncertainty of the impacts of the Medicare Catastrophic Coverage Act (MCCA). Many provisions of MCCA were repealed by Congress after the Montana Legislature adjourned in 1989, including large scheduled increases in the Buy-In premiums.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

INDIAN HEALTH

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	1,735,234.00	1,908,758	1,908,758	0	1,908,758	1,908,758	0	1,908,758
Total Agency Costs	\$1,735,234.00	\$1,908,758	\$1,908,758	\$0	\$1,908,758	\$1,908,758	\$0	\$1,908,758
Federal Special Revenue Fund	1,735,234.00	1,908,758	1,908,758	0	1,908,758	1,908,758	0	1,908,758
Total Funding Costs	\$1,735,234.00	\$1,908,758	\$1,908,758	\$0	\$1,908,758	\$1,908,758	\$0	\$1,908,758

Goals

- o To pass through 100 percent federal Medicaid reimbursement from HHS/HCPA to the Bureau of Indian Affairs (BIA) for medical services provided to Indians in federal Indian Health Services (IHS) facilities.

Authorization

53-6-101 et seq., MCA; 42 U.S.C. 1396 d(b). The Montana Medicaid program includes payments for medical services provided by an Indian Health service facility.

Base Program

The U.S. Congress passed Public Law 94-437 specifically to reimburse IHS for services provided to Medicaid recipients in their medical facilities. Specially appropriated federal Medicaid funds (100 percent federal money) are available through the state Medicaid program to support a variety of Indian Health services (inpatient hospital, outpatient hospital, clinic and home health services)

on the Flathead, Blackfeet, Rocky Boy, Fort Belknap, Crow, Northern Cheyenne and Fort Peck Indian reservations. These funds are passed through the Department of SRS to the Federal Bureau of Indian Affairs.

Federal law specifies that Medicaid is a first payor for medical services before Indian Health Services. Medicaid eligible Indians have freedom of choice where to receive services (i.e., they can receive them from a medical provider of their choice off the reservation or from the federal facilities).

The purpose for this reimbursement is for IHS to upgrade, maintain and expand their medical facilities and services located on the Indian Reservations.

Base Funding

This program is funded with 100 percent federal funds.

Performance Indicators

Reimbursement

FY90	FY91	FY92	FY93
<u>Enacted</u>	<u>Enacted</u>	<u>Projected</u>	<u>Projected</u>

None enacted

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

OTHER PRACTITIONERS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Benefits and Claims	2,698,244.81	3,091,188	3,071,397	0	3,233,325	0
Total Agency Costs	\$2,698,244.81	\$3,091,188	\$3,071,397	\$0	\$3,233,325	\$0
General Fund	779,973.21	876,661	868,898	0	908,564	0
Federal Special Revenue Fund	1,918,271.60	2,214,527	2,202,499	0	2,324,761	0
Total Funding Costs	\$2,698,244.81	\$3,091,188	\$3,071,397	\$0	\$3,233,325	\$0

Goals

- o To develop policy and procedure for other practitioner service programs in accordance with state and federal guidelines.
- o To provide accurate and timely technical assistance to other practitioner providers, recipients, field staff and other interested parties.

o To develop and maintain positive and effective working relationships with participating Medicaid providers.

o To involve provider professional organizations in the development of new policy and procedures governing other practitioner services.

Authorization

- o To promote recipient awareness of covered services provided by other practitioners and improve their access to those services.

Hospice. 42 U.S.C. 1396d(a)(18), 42 U.S.C. 1396d(o); 53-6-101(2)(j), MCA.

- o To manage program expenditures in accordance with federal regulations and state appropriations.

Nurse Specialist. 42 U.S.C. 1396d(a)(17)(21); 53-6-101(2)(f), MCA.

- o To monitor, through utilization review programs, appropriate use of other practitioner services by both the provider and the recipient.

Social Worker. 42 U.S.C. 1396d(a)(21); 53-6-101(3)(g), MCA.

Occupational Therapy Services. 42 U.S.C. 1396d(a)(13); 53-6-101(3)(j), MCA.

Optometric Services. 42 U.S.C. 1396d(a)(12); 53-6-101(3)(i), MCA.

Physical Therapy Services. 42 U.S.C. 1396d(a)(13); 53-6-101(3)(e), MCA.

Podiatry Services. 42 U.S.C. 1396d(a)(21); 53-6-101(3)(a), MCA.

Psychological Services. 42 U.S.C. 1396d(a)(21); 53-6-101(3)(j), MCA.

Speech Therapy. 42 U.S.C. 1396(d)(a)(13), 53-6-101(3)(j), MCA.

Base Program

Audiology:

Audiology services include hearing aid evaluations and basic audio assessment provided by a licensed and enrolled audiologist to eligible recipients with hearing disorders.

The objectives of the audiology program are to provide approximately 120 children and 220 adults with audiological services, to provide technical assistance to 50 providers and to expand services to include hearing testing for children with communication disorders.

Nurse Specialist:

The nurse specialist services program covers services provided by licensed and enrolled nurse midwives, nurse practitioners and nurse anesthetists. Services include primary health care services for the treatment of acute or chronic

illnesses as defined within the nurse practice act.

The objective of the program is to provide services to Medicaid eligibles, to provide technical assistance to 5 providers and to increase the number of enrolled providers. Reimbursement fees for obstetrical and pediatric care will be increased in compliance with federal legislation.

Occupational Therapy:

Occupational therapy services are provided by licensed occupational therapists who are enrolled in the Medicaid program or certified occupational therapy assistants under the direct supervision of a licensed occupational therapist. Occupational therapy services are medically directed treatment of physically and/or medically disabled individuals by means of constructive activities designed and adapted to restore useful function for eligible recipients. The Division has contracted with the state professional association to perform medical necessity reviews for this service.

The occupational therapy program objectives are to serve approximately 420 children and 385 adults. The program hopes to increase the number of enrolled providers and to provide 35 actively enrolled occupational therapists with needed technical assistance.

Optometric:

The optometric services program provides routine eye care to determine the need for corrective lens, visual training, treatment of diseases of the eye and eyeglasses or contact lens. Services are provided by licensed and enrolled optometrists.

The objective of the optometric services program is to provide services to approximately 370 children and 700 adults and provide technical services to 250 providers.

Physical Therapy:

Physical therapy services are provided by licensed and enrolled physical therapists and their assistants to eligible Medicaid recipients. Physical therapy services include: evaluation, treatment and instruction to limit or correct physical disability, bodily malfunction and bodily and mental disability. The Department contracts with the state professional organization for peer review of services beyond 70 hours to assure medical necessity of continuing therapy services.

The objectives of the physical therapy program will be to provide services to 520 children and 960 adults and provide technical services to 70 enrolled providers.

Podiatry:

The podiatry service program is provided by licensed and enrolled podiatrists who treat eligible recipients with foot and ankle problems. The podiatry services program includes treatment for the amelioration of pain and suffering and maintenance of ambulation. Podiatry service also includes medical care, surgery, prothesis and other services related to the treatment of the ankle and foot.

The objectives of the podiatry program are to treat 80 children and 150 adults, provide technical assistance to 30 enrolled podiatrists and to improve

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the access to care to recipients in remote areas of the state and to eligible children in need of the service.

Psychological Services:

The psychological services program includes the provision of psychological testing and consultation, individual, group and family services to eligible recipients. Services are provided by licensed and enrolled clinical psychologists.

The objectives of the psychological services program are to treat 1,750 children and 3,200 adults, provide technical assistance to 130 enrolled providers and to improve the access to care to recipients in remote areas of the state.

Social Work Services:

Social work services are provided by licensed social workers to eligible recipients in need of counseling services. Social worker services include consultation, individual, group and family therapy services necessary to the treatment of mental diseases.

The objectives of the social work services program are to provide services to 1,250 children and 2,350 adult recipients, to provide technical assistance to 150 enrolled providers and to improve the access to care for those recipients residing in remote areas of the state.

Speech Therapy:

Speech therapy services are provided by licensed and enrolled speech therapists to eligible Medicaid

recipients. Speech therapy services include diagnostic, screening and corrective procedures performed by qualified speech pathologists to detect, assess, prevent, correct and alleviate speech and language disorders. The Department contracts with the state professional organization for peer review of services beyond 70 hours to assure medical necessity of continuing therapy services.

The objectives of the speech therapy services program are to provide 610 services to children and 1,150 adults and provide technical assistance to approximately 35 speech therapists.

Base Funding

The other practitioner activity is jointly funded by federal and general funds. The funding mix for expenditures will be 71.71 percent federal funds and 28.29 percent general fund in fiscal 1992 and 71.9 percent federal funds and 28.1 percent general fund in fiscal 1993.

Performance Indicators

<u>Units/Service</u>	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
Children	74,037	76,629	101,008	111,676
Adults	137,499	142,311	187,587	207,398

Increase or Decrease from Base

Modifications

None

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Other Increases/Decreases

None

The objectives of the dental program will be to provide services to 10,200 children and 10,200 adults, provide technical assistance to providers and improve access to preventive dental care to children. The dental program will be implementing new federal regulations mandating increased dental screening and treatment for children.

Base Funding

The dental activity is jointly funded by federal and general funds. The funding mix for expenditures will be 71.71 percent federal funds and 28.29 percent general fund in fiscal 1992 and 71.9 percent federal funds and 28.1 percent general fund in fiscal 1993.

Performance Indicators

Units/Service	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
Children	62,198	69,422	57,602	55,520
Adults	59,521	66,434	55,123	53,129
Medical Necessity Reviews	18,200	18,700	18,700	18,700

Increase or Decrease from Base

Modifications

Current federal requirements mandate that Medicaid payments be sufficient to enlist enough providers so that covered services will be available to Medicaid beneficiaries at least to the extent that

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they are available to the general population in a particular area. Medicaid reimbursement for dental services has lagged over the past several years to the point that many providers are refusing to participate.

The Montana Dental Association announced at their spring meeting this year that in Districts 7 and 10 which cover approximately 4,100 square miles in Eastern Montana, dentists endorsed the position that they would no longer accept Medicaid patients. Dentists received 2 percent increases in fiscal 1990 and 1991. Prior to this, they accepted reduction of certain services and elimination of others for a cost avoidance that was estimated to be \$445,197 for fiscal 1989. As part of the preventive and maintenance package that is mandated under Kids Count, we are proposing that dental fees be increased 20 percent for services provided to children only. This fee increase from 65.5 percent of charges to 79 percent would help ensure adequate participation in the program.

The following table reflects the category of expenditure and funding for this budget modification:

FTE	FY92	FY93
Personal Services		
Operating		
Equipment		
Benefits & Claims	217,488	217,486
Total	217,488	217,486

	<u>FY92</u>	<u>FY93</u>
General Fund		
State Special	61,527	61,114
Federal		
Proprietary	155,961	156,372
Total	<u>217,488</u>	<u>217,486</u>

Other Increases/Decreases

None

OUTPATIENT HOSPITAL

Full Time Equivalent Employees	Fiscal 1990	Fiscal 1991	Fiscal 1992		Fiscal 1993	
	Actual	Appropriated	Base	Incr/Decr	Base	Incr/Decr
	.00	.00	.00	.00	.00	.00
Benefits and Claims	6,993,301.92	7,458,583	15,924,788	0	21,179,495	0
Total Agency Costs	\$6,993,301.92	\$7,458,583	\$15,924,788	\$0	\$21,179,495	\$0
General Fund	2,023,426.19	2,099,493	4,505,123	0	5,951,438	0
Federal Special Revenue Fund	4,969,875.73	5,359,090	11,419,665	0	15,228,057	0
Total Funding Costs	\$6,993,301.92	\$7,458,583	\$15,924,788	\$0	\$21,179,495	\$0

Goals

- 0 To develop policy and procedure for the hospital services program in accordance with state and federal guidelines.
- 0 To develop and maintain positive and effective working relationships with participating Medicaid providers.

Authorization

- 0 To provide accurate and timely technical assistance to hospital providers, recipients, field staff and other interested persons.
- 0 To promote recipient awareness of covered hospital services and improve their access to those services.

Base Program

- 0 To manage program expenditures in accordance with federal limits and state appropriations to insure the most economic and efficient use of these funds.
- 0 To maintain effective utilization control programs to ensure appropriate utilization of services by providers and recipients and maximize less restrictive and less costly alternatives.

program is to encourage hospitals to provide services to "traditional" inpatients in the less expensive outpatient setting.

Other Increases/Decreases

None

Reimbursement is on a retrospective cost basis. These services are becoming more widely used as medical technology and cost containment pressure increases. In 1989, Medicaid provided 167,828 units of service to 26,336 recipients.

Base Funding

The Outpatient Hospital Service program is jointly funded by federal and general funds. The funding mix for expenditures in this activity will be 71.71 percent federal funds and 28.29 percent general fund in fiscal 1992 and 71.9 percent federal funds and 28.1 percent general fund in fiscal 1993.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
Units/Service	495,613	431,003	604,210	668,704
Cost/Service	17.35	16.75	26.36	31.17
#/Recipients Served	23,660	23,660	23,660	23,660

Increase or Decrease from Base

Modifications

None

INPATIENT YOUTH PSYCHIATRIC HOSPITAL

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Benefits and Claims	8,992,593.61	9,079,705	10,327,563	1,513,278	10,847,601	1,407,435
Total Agency Costs	<u>\$8,992,593.61</u>	<u>\$9,079,705</u>	<u>\$10,327,563</u>	<u>\$1,513,278</u>	<u>\$10,847,601</u>	<u>\$1,407,435</u>
General Fund	2,606,234.55	2,149,604	2,854,310	-2,854,310	2,986,360	-2,986,360
Federal Special Revenue Fund	6,386,359.06	6,930,101	7,473,253	4,367,598	7,861,241	4,393,795
Total Funding Costs	<u>\$8,992,593.61</u>	<u>\$9,079,705</u>	<u>\$10,327,563</u>	<u>\$1,513,278</u>	<u>\$10,847,601</u>	<u>\$1,407,435</u>
						0
						<u>12,255,036</u>
						<u>\$12,255,036</u>

Goals

o To develop policy and procedure for the Inpatient Psychiatric Hospital Services program in accordance with state and federal guidelines.

o To provide accurate and timely technical assistance to hospital providers, recipients, field staff and other interested persons.

o To promote recipient awareness of covered hospital services and improve their access to those services.

o To manage program expenditures in accordance with federal limits and state appropriations to insure the most economic and efficient use of these funds.

o To maintain effective utilization control programs to ensure appropriate utilization of services by providers and recipients and maximize less restrictive and less costly

alternatives.

o To develop and maintain positive and effective working relationships with participating Medicaid providers.

Authorization

53-6-101 et seq., MCA; 42 U.S.C. 1396d. The Montana Medicaid program is authorized to make payment for Inpatient Psychiatric Services.

Base Program

Reimbursement is provided for medically necessary services provided in an inpatient psychiatric facility which is devoted exclusively to the care of individuals under the age of 21 provided that:

1. Ambulatory care resources available in the community do not meet the treatment needs of the recipient;

2. Proper treatment of the recipient's psychiatric condition requires services on an inpatient basis under the direction of a physician; and

3. The services can reasonably be expected to improve the recipient's condition or prevent further regression so that the services will no longer be needed.

To receive payment, proposed services must be deemed medically necessary by the designated peer review organization both at admission and on an ongoing basis throughout the stay. Reimbursement for services is at cost on a retrospective basis, subject to limits. Currently, there are three facilities certified to provide the above services in the state: Rivendell-Billings; Rivendell-Butte; and Shodair-Helena. In addition, several out-of-state providers perform services to a limited extent.

Currently, parental income and resources are not considered in determining the financial eligibility of the individual admitted to a facility. This results in Medicaid being available to virtually any child who is admitted. This may be resulting in parents who have the ability and willingness to pay for care not being required to. In addition, since Medicaid reimburses the cost of the services, the providers do not have the ability to earn a profit from private pay patients since almost all private pay patients become eligible for Medicaid during their stay.

The objective of this program is to provide inpatient psychiatric services to individuals under 21 who are emotionally disturbed and to insure that

only medically necessary and appropriate care is reimbursed.

Base Funding

The Inpatient Youth Psychiatric Services program is jointly funded by federal and general funds. The funding mix for expenditures in this activity will be 71.71 percent federal funds and 28.29 percent general fund in fiscal 1992 and 71.9 percent federal funds and 28.1 percent general fund in fiscal 1993.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
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Number of Settlements	3	3	3	3
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Appeals	NA	25	25	25
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# Clients	528	None enacted		
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Increase or Decrease from Base

Modifications

Residential treatment centers began providing Medicaid services on July 1, 1990 under the Inpatient Youth Psychiatric Services Program. These centers provide 24-hour mental health care to children and adolescents for whom outpatient treatment or acute hospital care is not considered appropriate. Treatment at these centers is generally of a longer duration than that received in a psychiatric hospital. These centers are

subject to the same regulations and admission and continued stay criteria as psychiatric hospitals. Currently, only one residential treatment center in Montana qualifies as a Medicaid provider of services, Yellowstone Treatment Center in Billings, under the limitations imposed under HB304 during the last legislature (facilities must be nonprofit, greater than 30 beds in size, have been in existence prior to 1/1/90 and be JCAHO accredited). Because of the short time this facility has been in operation, no historical data on Medicaid utilization is available.

Responsibility for both Inpatient and Residential Psychiatric programs is being transferred to the Department of Family Services (DFS) for the 1993 biennium. Medical claims will be processed through the Department of SRS. General fund spending authority will reside with DFS while federal reimbursement funds will be included in the SRS budget.

The general fund portion of Medicaid reimbursement for this program is contained in the Department of Family Services' budget. Only the federal Medicaid portion is included in the SRS budget.

Because SRS is the state Medicaid agency and DFS will have general fund Medicaid matching funds, it is recommended that the general appropriations act include language allowing the transfer of appropriation authority between these departments, within the same fund types, when amounts are finalized during each fiscal year. The result of this recommendation would be that when a Medicaid service is provided by SRS to a youth for which DFS has the state matching funds, an appropriation

in DFS would be decreased and an appropriation in SRS would be increased by a like amount. The total appropriated by the legislature for provision of the service would remain the same.

The following table reflects the category of expenditure and funding for this budget modification:

FTE	<u>FY92</u>	<u>FY93</u>
Personal Services		
Operating		
Equipment		
Benefits & Claims	<u>4,490,088</u>	<u>4,516,295</u>
Total	<u>4,490,088</u>	<u>4,516,295</u>
General Fund		
State Special		
Federal	<u>4,490,088</u>	<u>4,516,295</u>
Proprietary		
Total	<u>4,490,088</u>	<u>4,516,295</u>
<u>Other Increases/Decreases</u>		
None		

a physician is provided to diagnose and/or treat acute or chronic physical or mental health problems. However, low rates of reimbursement by Medicaid has created difficulty in maintaining provider participation.

Federal sanctions or withdrawal of federal participation may occur if Medicaid's level of reimbursement for obstetrical and pediatric services are not considered to be adequate and reasonable. The majority of Medicaid fees for physician services are at approximately 50 percent of customary charges. These low rates are resulting in increases in complaints regarding reimbursement and contributing to reduced willingness of physicians to accept Medicaid patients. The federal government has mandated increases in obstetrical and pediatric fees as noted in the program adjustment section.

The objectives of this program are to provide 616,350 units of service to 49,200 recipients and to maintain adequate provider participation to cover all geographic areas to the extent that they are covered for non-Medicaid patients.

Base Funding

The Physician Services program is jointly funded by federal and general funds. The funding mix for expenditures in this activity will be 71.71 percent federal funds and 28.29 percent general fund in fiscal 1992 and 71.9 percent federal funds and 28.1 percent general fund in fiscal 1993.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Units/Service	637,720	616,343	829,787	940,908
Cost/Service	23.88	23.62	22.07	21.15
Appeals	20	20	20	20

Increase or Decrease from Base

Modifications

OBRA 89 mandates that payment rates for obstetrical and pediatric services be set at a level that will assure services are available to Medicaid recipients, at least to the extent that they are available to the general public. Documentation of access can be demonstrated to HCFA by reimbursement set at least at 90 percent of the average allowance of private insurers or ensuring that at least 50 percent of the licensed providers participate in the Medicaid program.

In order to meet these federal mandates, it is recommended that obstetrical rates be set at 90 percent and pediatric fees be set at 80 percent of the average allowance of private insurers. Medicaid currently reimburses obstetrical providers at less than 50 percent of charges for a delivery. The rates have resulted in a 30 percent drop in the number of obstetrical providers since 1986. In many cases, Medicaid reimburses less than the cost of the liability insurance per delivery.

The change in obstetrical fees will increase reimbursement to 90 percent and increase expenditures by \$6,667,017 (\$1,880,099 in general fund) for the biennium. Participation rates for pediatricians exceed those of obstetricians, so an increase to 80 percent of the private insurance allowance is recommended. The pediatric increase will increase expenditures by \$3,018,485 (\$851,213 in general fund) for the biennium.

A survey conducted by the Montana Medical Association indicates that this level of reimbursement is needed to insure access for Medicaid recipients to obstetrical and pediatric care.

Federal sanctions or withholding of federal financial participation may occur if increased fees are not adopted in Montana.

The following table reflects the category of expenditure and funding for this budget modification:

FTE	FY92	FY93
Personal Services		
Operating		
Equipment		
Benefits & Claims	4,842,751	4,842,750
Total	<u>4,842,751</u>	<u>4,842,750</u>
General Fund		
State Special	1,370,014	1,360,813
Federal		
Proprietary	3,472,737	3,481,937
Total	<u>4,842,751</u>	<u>4,842,750</u>

Department of SRS

Other Increases/Decreases

None

DRUGS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	10,975,508.29	10,725,254	11,493,468	0	11,493,468	11,504,854	0	11,504,854
Total Agency Costs	\$10,975,508.29	\$10,725,254	\$11,493,468	\$0	\$11,493,468	\$11,504,854	\$0	\$11,504,854
General Fund	3,169,921.95	3,041,682	3,251,502	0	3,251,502	3,232,864	0	3,232,864
Federal Special Revenue Fund	7,805,586.34	7,683,572	8,241,966	0	8,241,966	8,271,990	0	8,271,990
Total Funding Costs	\$10,975,508.29	\$10,725,254	\$11,493,468	\$0	\$11,493,468	\$11,504,854	\$0	\$11,504,854

Goals

- o To develop policy and procedure for the Drug Services program in accordance with state and federal guidelines.
- o To provide accurate and timely technical assistance to drug providers, recipients, field staff and other interested persons.
- o To promote recipient awareness of outpatient drug services and improve their access to those services.
- o To manage program expenditures in accordance with federal limits and state appropriations.
- o To implement effective utilization control programs to ensure appropriate utilization of services by providers and recipients.
- o To develop and maintain positive and effective working relationships with participating Medicaid providers.

Department of SRS

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Authorization

53-6-101(3)(h), MCA; 53-6-101 et seq., MCA; 42 U.S.C. 1396d(a)(12). The Montana Medicaid program is authorized to make payment for prescription drugs.

Base Program

Outpatient drugs are an optional service under the Medicaid program. Medications are drugs and biologicals that require a prescription by law. The only exceptions are antacids, laxatives and insulin.

The objectives of the drug program will be to provide services to children and to adults, provide technical assistance to providers and improve access to preventive care.

Base Funding

Outpatient drugs under Medicaid are jointly funded by federal and general funds. The funding mix for

Medicaid Services Division

expenditures in this activity will be 71.71 percent federal funds and 28.29 percent general fund in fiscal 1992, and 71.9 percent federal funds and 28.1 percent general fund in fiscal 1993.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
Providers	353	358	358	358
Services	702,707	774,130	853,153	940,290

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

OTHER SERVICES

	Fiscal 1990	Fiscal 1991	Fiscal 1992		Fiscal 1993	
	Actual	Appropriated	Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Benefits and Claims	16,482,532.19	12,064,308	18,839,209	558,918	21,740,300	558,918
Total Agency Costs	\$16,482,532.19	\$12,064,308	\$18,839,209	\$558,918	\$21,740,300	\$558,918
General Fund	4,555,926.20	3,421,438	5,329,612	158,117	6,109,024	157,056
Federal Special Revenue Fund	11,926,605.99	8,642,870	13,509,597	400,801	15,631,276	401,862
Total Funding Costs	\$16,482,532.19	\$12,064,308	\$18,839,209	\$558,918	\$21,740,300	\$558,918

Goals

42 U.S.C. 1396d(a)(21); 53-6-101(3)(n), MCA. Personal Care.

o To develop policy and procedures for Other Medicaid Services in accordance with state and federal guidelines.

42 U.S.C. 1396d(a)(21); 53-6-101(3)(b) and (n), MCA. Durable Medical Equipment.

o To provide technical assistance to providers, Medicaid recipients, field staff and other interested parties.

42 U.S.C. 1396d(a)(7); 53-6-101(3)(b), MCA. Home Health.

o To assure that the services requested are medically necessary and provided in a cost effective manner.

42 U.S.C. 1396d(a)(21); 53-6-101(3)(n), MCA. Ambulance and Transportation.

o To manage expenditures in accordance with federal limits and state appropriations

42 U.S.C. 1396d(a)(20); 53-6-101(3)(n), MCA. Home Dialysis.

Authorization

42 U.S.C. 1396d(a)(6); 53-6-101(3)(a), MCA. Hearing Aids.

42 U.S.C. 1396d(a)(9); 56-6-101(3)(f) MCA. Clinic Services (including Mental Health Care Services).

42 U.S.C. 1396d(a)(12); 53-6-101(3)(i), MCA. Eyeglasses.

42 U.S.C. 1396d(a)(4)(C); 53-6-101(2)(i), MCA. Family Planning and Sterilization.

42 U.S.C. 1396d(a)(3); 53-6-101(2)(c), MCA. Lab and X-Ray.

Base Program

Other Medicaid Services includes the following medical services:

Clinic Services. Clinic services are preventative, diagnostic, therapeutic, rehabilitative or palliative services provided on an outpatient basis by a facility that is not part of a hospital, but is organized and operated to provide medical care. Clinic services may be provided in mental health centers, diagnostic centers, public health departments and/or surgical centers.

Clinic services are intended to provide a cost effective alternative for medical treatment on an outpatient basis rather than in an inpatient hospital setting.

The objectives of the clinic services program will be to provide services to 410 children and 760 adults, provide technical assistance to 13 providers and to maintain access to care.

Personal Care Services. These services are medically necessary in-home services provided to persons whose chronic health problems cause them to be functionally impaired in performing activities of daily living, such as: personal hygiene, administration of medication, meal preparation and home management. Personal care services are intended to prevent or delay institutionalization in a nursing home by providing maintenance or support services in the home. The department contracts with one contractor to provide personal care

services statewide.

The objectives of the personal care program will be to provide services to 160 children and 300 adults, provide technical assistance to providers and to maintain access to care.

Durable Medical Equipment. This category includes disposable medical supplies, durable medical equipment, which has an extended useful life, and prosthetic devices. These items are intended to meet the medical needs of individuals based on a specific diagnosis in a cost effective manner. Some items such as oxygen are provided on a ongoing basis while other items such as the rental of medical equipment continue until the medical need has been resolved.

The objectives of the durable medical equipment program will be to provide services to 375 children and 680 adults, provide technical assistance to 126 providers and to maintain access to care.

Home Health Services. Home health services include nursing and therapy services provided by a licensed home health agency. These services are provided to individuals who are home bound and are not able to receive services in the community. These services are intended to maintain the individual in his or her own home or residence and to prevent unnecessary institutionalization in a nursing home.

The objectives of the home health program will be to provide 2,700 services to children and adults, provide technical assistance to 42 providers and to maintain access to care.

Ambulance and Transportation. Ambulance services provide medical care and transportation of the sick or injured in a vehicle that is specially designed, staffed and equipped with the medical care, equipment and supplies required by law. Ambulance services are intended for emergency life threatening situations.

Transportation services include mileage and per diem to individuals who must travel to another community in order to receive medical treatment. Authorization of transportation expenses is done through the county welfare office. Authorization of out-of-state transportation for medical services not available in Montana is performed by the Montana/Wyoming Foundation for Medical Care.

The objectives of the ambulance and transportation program will be to provide services to 80 children and 150 adults, provide technical assistance to providers and to maintain access to care.

Home Dialysis. This service is provided to individuals with end-stage renal disease. The major alternatives to this care are inpatient hospitalization or outpatient hospital care.

The objectives of the home dialysis program will be to provide services to 1 child and 3 adults, provide technical assistance to providers and to maintain access to care. There are currently two providers in this program.

Hearing Aids. This service provides devices or instruments used to compensate for a hearing loss. This program is intended to maintain a person's ability to hear, communicate and to be aware of his or her surroundings. The objectives of the

hearing aid program will be to provide services to 320 children and 600 adults, provide technical assistance to 40 providers and to maintain access to care.

Eyeglasses. This service provides eyeglasses which include lens and/or frames prescribed by a physician or by an optometrist. The program is intended to correct visual problems of persons with impaired vision.

The objectives of the eyeglasses program will be to provide services to 880 children and 1,640 adults, provide technical assistance to providers and to maintain access to care.

Family Planning and Sterilization. Family planning services are designed to help a recipient make an informed choice about having a child and prevent unwanted pregnancies. These services are available without limitation and may include prescribed drugs, the services of a physician or services provided by a local delegate of the family planning program of the Department of Health and Environmental Sciences. Services include physical examination, counseling, ordering of laboratory tests, prescriptions and other medically necessary services appropriate to family planning.

The objective of the family planning and sterilization program will be to provide services to 90 children under the age of 21 and 160 adults, provide technical assistance to providers and to maintain access to care.

Lab and X-Ray. Laboratory and X-ray services serve to help the physician diagnose and treat a medical condition. Services must be ordered by a physician

or under the direction of a physician for diagnostic purposes. Lab tests must be conducted by a licensed laboratory.

The objective of the lab and X-ray program will be to provide services to 280 children and 525 adults, provide technical assistance to providers and to maintain access to care.

Base Funding

The activities listed are jointly supported by federal and general funds. The funding mix for these activities, excluding family planning and sterilization, will be 71.71 percent federal funds and 28.29 percent general fund in fiscal 1992 and 71.9 percent federal funds and 28.1 percent general fund in fiscal 1993.

Funding for family planning and sterilization is currently 90 percent federal funds and 10 percent general fund. These funding amounts are anticipated to remain the same for the next biennium.

Performance Indicators

<u>Units/ Service</u>	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
# Svcs	3,331,296	4,303,313	5,345,794	6,645,777
Cost/Svc.	3.62	3 .69	3.52	3.27
Providers	754	754	754	754

Increase or Decrease from Base

Modifications

1. Health Clinic Expansion:

The Omnibus budget Reconciliation Act of 1989 (OBRA 89) requires that State Medicaid programs provide funding for services in all federally qualified health clinics currently funded under the Public Health Act, as well as other comprehensive, community-based primary care clinics. While only 28 of the centers currently provide services in Montana, it is probable that a certain number, which currently do not participate, will elect to be reimbursed under the Montana Medicaid program. This expansion is estimated to cost \$65,000 in each fiscal year.

The following table reflects the category of expenditure and funding for this budget modification:

FTE	<u>FY92</u>	<u>FY93</u>
Personal Services		
Operating		
Equipment		
Benefits & Claims	<u>65,000</u>	<u>65,000</u>
Total	<u>65,000</u>	<u>65,000</u>
General Fund		
State Special	18,388	18,265
Federal	46,612	46,735
Proprietary		
Total	<u>65,000</u>	<u>65,000</u>

2. Ambulance Provider Increase:

Each ambulance provider has an individualized base rate. Provider fees were increased 2 percent each year of the biennium. Prior to these increases, the rates had been frozen since 1982. In addition, the industry has grown more sophisticated so that advanced life support services are now recognized by the state licensing body, offered by ambulances and reimbursed by Medicare. Medicaid does not recognize these different levels of service and continues to pay only for basic life support services.

Medicaid also does not pay for air ambulance services although this is a widely accepted and necessary medical service. Ambulance providers have indicated they cannot afford to continue providing service to Medicaid clients without fee increases. Currently, providers are receiving approximately 50 percent of their charges for basic life support services. Medicaid's flat reimbursement rate translates to a payment rate of only 10 percent of their charges for advanced life support and air ambulance services. Emergency services, such as ambulance, are vital to the health and well-being of Medicaid recipients in a state as large and geographically diverse as Montana.

Medicaid annually provides 4,600 ambulance services; 80 percent of these services have been for basic life support and 20 percent have involved advanced life support services. This modification would increase reimbursement to 90 percent of billed charges (\$140 for

basic life support and \$178 for advanced life support). Medicaid would reimburse at the same mileage rate of \$2.50 per mile for ground transport and \$1.70 per mile for air transport as the Medicare rate. These changes are estimated to cost \$493,918 in each fiscal year.

The following table reflects the category of expenditure and funding for this budget modification:

FTE	FY92	FY93
Personal Services		
Operating		
Equipment		
Benefits & Claims	493,918	493,918
Total	493,918	493,918
General Fund		
State Special	139,729	138,791
Federal	354,189	355,127
Proprietary		
Total	493,918	493,918

Other Increases/Decreases

None

Payment for in-state hospitals is made on the basis of a prospective payment system developed by the state and is based on the Medicare Diagnosis Related Group (DRG) system, which classifies each inpatient stay into one of 473 groups. Additional payments are made to hospitals, which serve a disproportionate number of Medicaid recipients or low income patients, for capital related costs, for medical (nursing) education related costs and for extremely long or costly stays.

The prospective system was implemented in October of 1987. Since that time, Medicare has performed three major revisions to its DRG system. Medicaid has not updated its system and needs to perform an overall review of the policies which consider changes in care patterns, Medicare adjustments, the effectiveness of some policies and changes necessary to make the system more efficient for providers and Medicaid.

Medicaid also utilizes out-of-state providers for certain services. These services include, but are not limited to, services not available in Montana (such as some levels of neonatal intensive care services) or services that are necessary or more cost effective to treat out-of-state (such as services to foster care placements outside of Montana). Out-of-state hospitals are paid on a facility specific percentage of charge basis based on cost reports submitted to the Division.

Medicaid guidelines under Title XIX of the Social Security Act require that payments "are reasonable and adequate to meet the costs which must be incurred by efficiently and economically operated facilities" and "assure that individuals eligible for medical assistance have reasonable access to

inpatient hospital services of adequate quality". In the past, Montana has utilized a national market basket index to update rates to insure reasonable and adequate rates.

The objectives of the Inpatient Hospital program will be to provide more than 12,000 recipients with necessary services and to implement changes that reduce the administrative burden on both Medicaid and the providers. In fiscal 1989, Medicaid reimbursed hospitals for approximately 73,000 days of care.

Base Funding

Inpatient Hospital services are jointly funded by federal and general funds. The funding mix for expenditures will be 71.71 percent federal funds and 28.29 percent general fund in fiscal 1992 and 71.9 percent federal funds and 28.1 percent general fund in fiscal 1993.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
# Recipients Served	10,673	12,052	14,035	15,783
# Providers	153	153	153	153
Appeals	20	20	20	20
# Settlements Performed	60	60	60	60

Increase or Decrease from Base

Modifications

Federal regulations require that rates be "reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated facilities to provide services in accordance with state and federal laws," etc. Provider rate increases to insure compliance with these federal requirements of adequate rates are necessary. Historically, SRS used the national hospital market basket inflation index to project funding needs in relation to the inpatient hospital reimbursement system. Currently, quarterly market basket trends range from 5.38 percent to 5.62 percent for fiscal 1992. No index information is available for fiscal 1993, but trends indicate a minimum of 5.62 percent. This index can be used for inpatient, outpatient, inpatient psychiatric hospital and psychiatric residential treatment. The hospital rate rebase is projected to cost \$4,368,271 in fiscal 1993.

The following table reflects the category of expenditure and funding for this budget modification:

	<u>FY92</u>	<u>FY93</u>
FTE		
Personal Services		
Operating		
Equipment		
Benefits & Claims	-0-	4,368,271
Total	-0-	4,368,271

Department of SRS

	<u>FY92</u>	<u>FY93</u>
General Fund		
State Special		
Federal	-0-	1,227,484
Proprietary	-0-	3,140,787
Total	-0-	4,368,271

Other Increases/Decreases

Funds collected by the Child Support Enforcement Division were estimated at \$185,929 for fiscal 1992 and \$328,494 for fiscal 1993. These funds have been included as a funding source under Inpatient Hospital.

PRIMARY CARE--WOMEN/CHILDREN

69010765.987

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	3,225,297.97	755,470	755,470	782,833	1,538,303	755,470	843,203	1,598,673
Total Agency Costs	\$3,225,297.97	\$755,470	\$755,470	\$782,833	\$1,538,303	\$755,470	\$843,203	\$1,598,673
General Fund	929,279.11	214,251	213,722	221,464	435,186	212,287	236,940	449,227
Federal Special Revenue Fund	2,296,018.86	541,219	541,748	561,369	1,103,117	543,183	606,263	1,149,446
Total Funding Costs	\$3,225,297.97	\$755,470	\$755,470	\$782,833	\$1,538,303	\$755,470	\$843,203	\$1,598,673

Goals

- o To develop policy and procedure for the pregnant women and children services in accordance with state and federal guidelines.
- o To provide accurate and timely technical assistance to providers, recipients, field staff and other interested persons.
- o To promote recipient awareness of covered services and improve recipient access to such services.
- o To manage program expenditures in accordance with federal limits and state appropriations.
- o To implement effective utilization control programs to ensure appropriate utilization of services by providers and recipients.
- o To develop and maintain positive and effective working relationships with participating Medicaid providers.

Authorization

53-6-131(2), MCA; 42 U.S.C. 1396a(a)(A)(i)(III); 42 U.S.C. 1396d(n). The department is authorized by state law to provide medical assistance to "qualified pregnant women and children."

Base Program

The Pregnant Women and Children program provides pregnancy related services to women who would not otherwise qualify for Medicaid, but whose income is at or below 75 percent of the federal poverty level in state fiscal 1990 and at or below 133 percent of the federal poverty level in fiscal 1991. It also provides full Medicaid benefits to infants of these women up to six years of age.

This program has experienced difficulty in attracting and keeping providers due to low fees, increasing medical malpractice insurance costs and a perception that Medicaid recipients are more litigious.

The objectives of the program are to provide services to an additional 240 women and 120 infants in fiscal 1990 and 240 women and 240 infants in fiscal 1991.

Base Funding

The Pregnant Women and Children program is jointly funded by federal and general funds. The funding mix for expenditures will be 71.71 percent federal funds and 28.39 percent general fund in fiscal 1992 and 71.9 percent federal funds and 28.1 percent general fund in fiscal 1993.

Performance Indicators

FY90	FY91	FY92	FY93
<u>Actual</u>	<u>Enacted</u>	<u>Base</u>	<u>Base</u>

None Enacted

Increase or Decrease from Base

Modifications

1. EPSDT Case Management Screens:

The Early, Periodic Screening, Diagnosis and Treatment Program (EPSDT) is a program to provide child health screening and treatment of health problems detected during the screening examination. Increased participation in EPSDT reduces the cost of medical services to the individual child. This has been shown consistently by the Medicaid Management Information System (MMIS) Periodic Screening Cost Analysis reports. Case Management services for the EPSDT clients will

provide such services as: outreach, coordination of medical care, arrange appropriate and least costly care, preventative health education of the family, etc. It is anticipated that the department could contract these services with the public or private sector.

Case management services can significantly reduce medical costs per child by ensuring access to preventive and well child care. The department plans to require the case management contractor to employ AFDC recipients as case managers. This has been tried in other states and has resulted in increased participation in the screening program and increased job opportunities.

Cost Assumptions: 8,040 children will be eligible in fiscal 1992 and 10,050 in fiscal 1993. Of this number, 63 percent will receive case management services in fiscal 1992 and 83 percent will receive case management services in fiscal 1993.

Increased EPSDT Screenings:

EPSDT is a program to provide child health screening and treatment of health problems detected during the screening examination. Montana EPSDT is recommending to add 8 additional screens to bring to 20 the total number of screens in the first 21 years of life. According to the MMIS Periodic Screening Cost Analysis Report of 11/89, there were 26,068 eligible children who received Medicaid services, of which 8,036 children, or 28 percent, received EPSDT services. The

average cost of medical services to those not receiving EPSDT is \$715.23 compared to \$373.55 for those children under the program. The additional cost of adopting the Academy of Pediatrics screening schedule would be offset by the expected reduction in medical cost per child if this continues to hold true. These two EPSDT modifications are estimated to cost \$289,783 in fiscal 1992 and \$350,057 in fiscal 1993.

The following table reflects the category of expenditure and funding for this budget modification:

	<u>FY92</u>	<u>FY93</u>
FTE		
Personal Services		
Operating		
Equipment		
Benefits & Claims	<u>289,783</u>	<u>350,057</u>
Total	<u>289,783</u>	<u>350,057</u>
General Fund		
State Special	81,980	98,366
Federal	207,803	251,691
Proprietary		
Total	<u>289,783</u>	<u>350,057</u>

2. Targeted Case Management Pregnant Women:

In an effort to increase the access to early prenatal care, the Department is seeking to implement targeted case management for high

risk pregnant women as an optional Medicaid service. The benefits of improving a pregnancy outcome through early prenatal care have been well documented by the medical community. By developing services to assist mothers who meet high risk criteria, the long range costs for care of low birthweight babies can be substantially reduced.

In Montana, a low birthweight baby is born every 12 hours and every three days one baby under one year of age dies. In 1988, Medicaid spent \$4.2 million (51 percent of the total delivery costs) on only 4 percent of the births. The average cost of each high cost baby exceeded \$32,000. A majority of these high cost births were low birthweight, which could have been prevented with regular prenatal care. Medicaid pays physicians an average of \$755 for a normal birth, including prenatal care. The average lifetime medical costs for providing care to a high cost/low birthweight baby can exceed \$400,000.

The Department intends to contract with the Department of Health's project for management of low birthweight babies to provide case management services to the targeted population. After an initial screen identifying women at no risk, low risk or high risk, a referral will be made for case management services. The responsibility of the case coordinator will be to coordinate needed services for each client identified through the assessment and development of the care plan. The emphasis of case management is to assist the client with obtaining necessary services to deliver a baby at normal birth-

weight. This modification is estimated to cost about \$493,000 each fiscal year.

The following table reflects the category of expenditure and funding for this budget modification:

FTE	<u>FY92</u>	<u>FY93</u>
Personal Services		
Operating		
Equipment		
Benefits & Claims	<u>493,050</u>	<u>493,146</u>
Total	<u>493,050</u>	<u>493,146</u>
General Fund		
State Special	139,484	138,574
Federal	353,566	354,572
Proprietary		
Total	<u>493,050</u>	<u>493,146</u>

Other Increases/Decreases

None

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	<u>5,689,998.39</u>	<u>4,681,800</u>	<u>4,869,072</u>	<u>-3,644,478</u>	<u>1,224,594</u>	<u>5,063,835</u>	<u>-3,790,457</u>	<u>1,273,378</u>
Total Agency Costs	<u>\$5,689,998.39</u>	<u>\$4,681,800</u>	<u>\$4,869,072</u>	<u>\$-3,644,478</u>	<u>\$1,224,594</u>	<u>\$5,063,835</u>	<u>\$-3,790,457</u>	<u>\$1,273,378</u>
General Fund	<u>5,689,998.39</u>	<u>4,681,800</u>	<u>4,869,072</u>	<u>-3,644,478</u>	<u>1,224,594</u>	<u>5,063,835</u>	<u>-3,790,457</u>	<u>1,273,378</u>
Total Funding Costs	<u>\$5,689,998.39</u>	<u>\$4,681,800</u>	<u>\$4,869,072</u>	<u>\$-3,644,478</u>	<u>\$1,224,594</u>	<u>\$5,063,835</u>	<u>\$-3,790,457</u>	<u>\$1,273,378</u>

Goals

- To develop policy and procedure for the State Medical program in accordance with state guidelines.
- To provide accurate and timely technical assistance to providers, recipients, field staff and other interested persons.
- To promote recipient awareness of covered services and improve their access to those services.
- To manage program expenditures in accordance with state guidelines and appropriations.
- To implement effective utilization control programs to ensure appropriate utilization of services by providers and recipients.
- To develop and maintain positive and effective working relationships with participating providers.

Authorization

53-3-206, MCA; 53-3-307, MCA; 53-3-310, MCA. General Relief Medical Assistance is provided to low income persons not eligible for the Medicaid program.

Base Program

As part of the state's assumption of county welfare programs in fiscal 1984, the Department of SRS assumed responsibility for administration and funding of the county level medical program in the 12 state assumed counties. The following table shows expenditures for the State Medical program from fiscal 1985 through fiscal 1990 and the appropriated level for fiscal 1991.

Table 1. State Medical expenditures for fiscal 1985 through fiscal 1990, the appropriated level for fiscal 1991.

<u>Fiscal Year</u>	<u>Total Costs</u>
1986	2,556,945
1987	5,157,717
1988	4,650,669
1989	5,881,985
1990	5,689,998
1991	4,681,800

The State Medical program is a 100 percent general funded program which provides medical benefits to low income persons who do not qualify for any other form of federal or state medical assistance. Services provided under the State Medical Program are similar to those provided by the Medicaid program.

Base Funding

Funding for the State Medical program is 100 percent general fund.

Performance Indicators

<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>
<u>Actual</u>	<u>Enacted</u>	<u>Base</u>	<u>Base</u>

None enacted

Increase or Decrease from Base

Modifications

None

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Other Increases/Decreases

The department's funding request reflects a reduction in State Medical expenditures of \$7.4 million over the 1993 biennium. This reduction is contingent on successful implementation of three major changes to the program: 1) passage of legislation that would split the State Medical program into two separate programs; one serving chronic disabled and a second program to provide services for acute care; 2) implementation of a series of administrative changes that would ensure services provided were appropriate and met the criteria of medical necessity; and 3) shifting a portion of the costs from State Medical to the supported services component of Project Work.

Additionally, several administrative changes will be initiated during fiscal 1991 that will impact costs for the 1993 biennium:

1. Contracting for managed care of selected groups of recipients;
2. Conducting utilization review for excessive use of physicians, drugs and emergency room services;
3. Implementing a resource eligibility limit for State Medical applicants, and;
4. Recouping costs of State Medical clients later determined to be retroactively eligible for Medicaid.

The managed care contract will provide for screening of all inpatient hospital admissions for medical necessity, similar to what is being done for the

Medicaid Services Division

Medicaid program. In addition, certain groups of admissions will be targeted for case management services which will explore alternative methods of care. It is expected that this contract will be operational by March 1, 1991.

MEDICAID ADJUSTMENTS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	0.00	0	-2,843,880	-2,589,728	-5,433,608	-2,843,880	-3,178,792	-6,022,672
Total Agency Costs	\$0.00	\$0	\$-2,843,880	\$-2,589,728	\$-5,433,608	\$-2,843,880	\$-3,178,792	\$-6,022,672
General Fund	0.00	0	-793,726	-743,442	-1,537,168	-793,442	-898,929	-1,692,371
Federal Special Revenue Fund	0.00	0	-2,050,154	-1,846,286	-3,896,440	-2,050,438	-2,279,863	-4,330,301
Total Funding Costs	\$0.00	\$0	\$-2,843,880	\$-2,589,728	\$-5,433,608	\$-2,843,880	\$-3,178,792	\$-6,022,672

Goals

- o To provide a place to account for adjustments that generally affect all categories of Medicaid.

Authorization

N/A

Base Program

The adjustments made in this control variable affect all categories. The components of this adjustment budget unit include State Medical costs transferred to Medicaid and refunds from providers for overpayments.

The transfer of costs from the State Medical program is the result of medical costs for clients that are later determined to be retroactively eligible for Medicaid benefits due to a disabling condition. For these cases, costs can be transferred from the State Medical program to Medicaid, which results

in a general fund savings for the State Medical program.

Refunds include overpayments, erroneous payments, adjustments due to third party liability payments and cost settlement activities (primarily with hospitals and home health providers).

Base Funding

The funding for this control variable is the same as for the entire Medicaid program.

Performance Indicators

None Enacted.

Increase or Decrease from BaseModifications

None

Other Increases/Decreases

The requested budget reflects an increase in the total negative adjustments for the primary care expenses. The additional savings (negative expenses) are due to a projected reduction in number of Medicaid eligibles once the new The Economic Assistance Management System (TEAMS) comes on-line and from utilization review activities. Additional adjustments were reductions based on the Division's cost containment efforts.

Increases is Medicaid adjustment:

	<u>FY92</u>	<u>FY93</u>
Cost Containment	\$1,721,516	\$1,715,391
TEAMS Adjustments	<u>868,212</u>	<u>1,463,401</u>
Total Increase	<u>\$2,589,728</u>	<u>\$3,178,792</u>

AUDIT AND COMPLIANCE

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Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
	39.12	42.00	40.00	.00	40.00	40.00	.00	40.00
Personal Services	959,603.44	1,102,262	1,068,235	6,353	1,074,588	1,067,279	6,392	1,073,671
Operating Expenses	167,302.62	156,615	164,751	0	164,751	165,942	0	165,942
Equipment	34,414.66	3,420	3,420	0	3,420	3,420	0	3,420
Benefits and Claims	87,518.87	143,223	143,223	0	143,223	143,223	0	143,223
Total Agency Costs	\$1,248,839.59	\$1,405,520	\$1,379,629	\$6,353	\$1,385,982	\$1,379,864	\$6,392	\$1,386,256
General Fund	598,520.53	621,518	608,353	-6,487	601,866	608,631	-6,464	602,167
Federal Special Revenue Fund	650,319.06	776,371	763,622	12,825	776,447	763,594	12,841	776,435
Proprietary Fund	0.00	7,631	7,654	15	7,669	7,639	15	7,654
Total Funding Costs	\$1,248,839.59	\$1,405,520	\$1,379,629	\$6,353	\$1,385,982	\$1,379,864	\$6,392	\$1,386,256

Overview

The Audit and Compliance Bureau performs financial audits, conducts quality control reviews and makes financial recoveries for the department. Financial audits are conducted on a periodic basis of programs administered by SRS. Quality control reviews are conducted on selected AFDC, Food Stamp and Medicaid cases to assure compliance with state and federal laws and regulations. Through contract with the Department of Revenue, the program also seeks to recover misspent funds and reduce welfare fraud. The Audit and Compliance program performs its functions as required by the Montana Codes Annotated (MCA), Federal Regulations (CFR) and the Administrative Rules of Montana (ARM).

Goals

- To ensure the integrity of financial operations of programs administered by SRS.
- To ensure programs administered by SRS are in compliance with all applicable state and federal regulations.
- To maximize collection of third party liability due the State.
- To complete quality control and Medicaid utilization reviews and reporting requirements in an accurate and timely manner.
- To review the Medicaid Management Information Systems (MMIS) claims processing activities to provide accurate and timely data for management and fiscal analysis.

- o To maximize collection of public assistance overpayments and help prevent welfare fraud and abuse.
- o To reduce the amount of welfare fraud and abuse through aggressive investigation of all allegations of improper use of welfare programs and resources.
- o To promote immediate investigative and enforcement actions where required by state statute.
- o To investigate alleged Medicaid provider fraud, public assistance fraud and Food Stamp trafficking on behalf of the department.

Authorization

The Audit and Compliance Bureau performs its functions as required by the MCA, CFR and the ARM. 53-2-501, MCA. Investigations and enforcement actions by Department of Revenue.

45-6-312, MCA. Unauthorized acquisition or transfer of Food Stamps is referred to the Department of Revenue, Office of Investigations.

Base Program

Audits of developmental disabilities providers, food stamp issuance agents, low income energy assistance contractors, commodity program, Medicaid case management teams, weatherization contractors, the First Check System, vocational rehabilitation providers and state assumed counties are conducted

as frequently as is required by federal regulations or as good business practice demands. Audits determine allowability of expenditures, compliance with contract terms, accounts due the department when appropriate and in most instances, adequacy of internal controls.

Quality Control samples AFDC, Food Stamp and Medicaid cases for compliance with federal and state eligibility rules and reports findings to the federal government via the federal integrated quality control reporting system. Quality control error rates are compared to established federal standards with possible federal fiscal sanctions assessed when the error rate exceeds the standard. Quality control findings are also used as a management tool to assist program managers in administering their programs.

Surveillance and Utilization Review monitors the use of the Medicaid program by both recipients and providers and initiates appropriate actions to recover misspent Medicaid dollars and remove or restrict providers and recipients who have abused the program.

Third Party Liability is engaged in two areas of the Medicaid program. First, cost avoidance assures that responsible third parties, including Medicare, pay their share of medical services before Medicaid is billed. Secondly, if Medicaid has paid the bill and a liable third party is discovered, a process known as "Pay and Chase" is used to collect that amount due Medicaid.

Claims Processing Assessment System (CPAS) reviews samples of provider claims processed by the Medicaid Management Information System (MMIS) to assure

claims are processed properly and to identify areas requiring correction or additional attention.

The Fraud and Recovery Unit collects monies resulting from client abuse and overpayments in the AFDC, Food Stamp, Medicaid, LIEAP and Weatherization programs. This unit also performs fraud screening and refers cases to the Department of Revenue for investigation and possible criminal prosecution or recommends an administrative hearing.

The Department of Revenue, Office of Investigations, through contract with SRS, is responsible for performing the criminal and regulatory investigative functions required by state and federal statute. Specific areas of responsibility include public assistance and fraud investigations.

The office is responsible for conducting a statewide program of investigation and referral for prosecution of violations regarding fraudulent claims to the Medicaid program, fraudulent receipt of Aid to Families with Dependent Children, fraudulent applications for Food Stamps, and illegal sales and acquisition of Food Stamps.

Base Funding

The program is funded through a combination of state and federal funds with approximately 44 percent of the funding coming from general fund. The federal funding sources include: Medicaid, Low Income Energy Assistance Program, AFDC, US Department of Agriculture, Federal Department of Education and other small federal contracts.

Performance Indicators

Perform the number of audits indicated for each of the following programs:

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Vocational Rehab.	3	4	4	4
Case Management	NA	6	10	10
Developmental Disab.	9	12	14	14
Food Stamps	22	15	18	18
LIEAP/Weatherization	7	13	10	10
State Assumption	5	7	6	6
First Check System*	22	15	18	18
Commodities	2	2	2	2
Medicaid	1	3	5	5
Nursing Home Reviews	19	34	35	30

TOTAL

90 111 122 117

* First Check System audits are done in conjunction with Food Stamp audits.

Quality Control

1. To complete Quality Control reviews of 630 AFDC cases, 700 Medical cases and 1,200 Food Stamp cases during the biennium.
 2. To provide information to program managers in a manner and format that will allow them to pursue appropriate corrective actions.
- Surveillance and Utilization Review
1. Realize cost savings to Medicaid of \$100,000 yearly through recipient utilization control

measures and \$150,000 yearly through provider recoveries; provide a deterrent factor for Medicaid provider and recipient fraud.

Third Party Liability

1. To recoup or avoid payment of approximately \$40 million in Medicaid funds through Pay and Chase and cost avoidance during the biennium.

Claims Processing Assessment System

1. Review 150 medical claims a month to identify and evaluate deficiencies and problems in the MMIS claims processing activities and provide data for corrective action and improvements.

Fraud and Recovery

1. To recover approximately \$1,500,000 from Food Stamps, AFDC and Medical overpayments during the biennium.
2. To disqualify approximately 650 Food Stamp recipients annually through administrative disqualification hearings.

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
Fraud Cases to Prosecution	38	50	50	50
Open Medicaid Frauds	3	3	3	3

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

No changes were made to the base other than an increase in personal services due to new benefit rates used by OBPP.

OFFICE OF MANAGEMENT ANALYSIS AND SYSTEMS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	42.62	43.50	44.50	-6.25	38.25	44.50	-6.50	38.00
Personal Services	997,285.15	1,286,357	1,321,811	-197,473	1,124,338	1,319,981	-201,801	1,118,180
Operating Expenses	3,951,097.28	5,518,457	6,091,709	2,617,100	8,708,809	6,073,569	976,000	7,049,569
Equipment	170,847.03	280,932	632	157,500	158,132	632	88,959	89,591
Total Agency Costs	\$5,119,229.46	\$7,085,746	\$7,414,152	\$2,577,127	\$9,991,279	\$7,394,182	\$863,158	\$8,257,340
General Fund	1,123,480.54	1,330,970	1,480,364	838,073	2,318,437	1,471,770	1,095,609	2,567,379
State Special Revenue Fund	60,737.29	527,691	527,781	20,398	548,179	527,776	69,116	596,892
Federal Special Revenue Fund	3,923,318.09	5,187,733	5,367,657	1,304,907	6,672,564	5,356,298	-545,955	4,810,343
Proprietary Fund	11,693.54	39,352	38,350	413,749	452,099	38,338	244,388	282,726
Total Funding Costs	\$5,119,229.46	\$7,085,746	\$7,414,152	\$2,577,127	\$9,991,279	\$7,394,182	\$863,158	\$8,257,340

Overview

The Office of Management Analysis and Systems (OMAS) was created through the department reorganization to administer the department's budget management process, microcomputer information center, and the development and implementation of two large computer systems - The Economic Assistance Management System (TEAMS) and System Enforcement And Recovery of Child Support (SEARCHS). In addition, the fiscal year 1991 reorganization moved the Telecommunications Project for the Handicapped and the Data Processing Bureau from the Support Services Division to OMAS.

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	30.62	31.50	32.50	-1.25	31.25	32.50	-1.50	31.00
Personal Services	730,289.23	904,382	933,096	-33,427	899,669	931,900	-37,905	893,995
Operating Expenses	483,300.83	415,006	742,813	-182,287	560,526	724,499	-232,744	491,755
Equipment	3,330.20	25,632	632	0	632	632	0	632
Total Agency Costs	<u>\$1,216,920.26</u>	<u>\$1,345,020</u>	<u>\$1,676,541</u>	<u>\$-215,714</u>	<u>\$1,460,827</u>	<u>\$1,657,031</u>	<u>\$-270,649</u>	<u>\$1,386,382</u>
General Fund	476,109.12	565,958	763,329	-149,037	614,292	754,781	-173,633	581,148
State Special Revenue Fund	49,542.01	50,216	50,306	-2,635	47,671	50,301	-2,626	47,675
Federal Special Revenue Fund	685,046.14	689,494	862,906	-81,439	781,467	851,949	-111,788	740,161
Proprietary Fund	6,222.99	39,352	0	17,397	17,397	0	17,398	17,398
Total Funding Costs	<u>\$1,216,920.26</u>	<u>\$1,345,020</u>	<u>\$1,676,541</u>	<u>\$-215,714</u>	<u>\$1,460,827</u>	<u>\$1,657,031</u>	<u>\$-270,649</u>	<u>\$1,386,382</u>

Goals

- o To provide accurate and timely analysis of the department's budget.
- o To provide statistical analysis of the various benefit programs administered by the department to allow appropriate adjustments to programs to target resources.

grant of authority to administer public assistance programs.

Base Program

OMAS Administration includes 32.50 FTE's, including the OMAS Director, the Budget and Program Analysis Bureau (6 FTE), the Information Center (5 FTE), a Management Analyst and the Data Processing Bureau (19.50 FTE).

The Budget and Program Analysis Bureau coordinates and administers the budget process for the department, including the Executive Budgeting System. The Bureau also makes projections and monitors the budgets of the major benefit programs (Medicaid, AFDC, General Relief Assistance, State Medical, etc.) and produces the department's statistical bulletins and reports.

Authorization

53-2-201 et seq., MCA. The department has general

The Information Center has implemented a PC Local Area Network within the department and will continue to expand the number of users as well as provide the necessary maintenance. This section also processes the turnaround documents for the current eligibility system and coordinates system enhancements for the main frame applications.

The Data Processing Bureau includes clerical and data entry staff, programmers and systems analysts. The bureau provides the maintenance and enhancement of all department-operated computer systems.

Base Funding

Funding for the OMAS base program is approximately 46 percent general fund, 51 percent federal funds and 3 percent state special funds. Because a majority of OMAS Administration is cost allocated, a number of federal funding sources are involved.

Performance Indicators

1. Produce the department's biennial Executive Budget request.
2. Produce a department-wide budget status report each month.
3. Produce 12 monthly statistical bulletins, 4 quarterly bulletins and one annual report.
4. Provide 2,000 student-hours of microcomputer software training for department staff each year.
5. Process daily all TEAMS transactions required to maintain a current, statewide eligibility

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Office of Management Analysis and Systems

determination database.

6. Provide technical support for 600 microcomputers in local welfare offices state-wide, and in SRS central offices.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

A 1.00 FTE, Grade 15 Programmer/Analyst, was deleted from the Data Processing Bureau as part of the agency-wide FTE reductions.

A 0.50 FTE, Grade 7, Data Entry Operator in the Data Processing Bureau, was reduced to 0.25 FTE for fiscal 1992 and eliminated in fiscal 1993 as part of the cost savings associated with the implementation of TEAMS.

Operating expenses were decreased in several areas, including data processing services, records storage and supplies and materials.

TEAMS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	8.00	8.00	8.00	-6.00	2.00	8.00	-6.00	2.00
Personal Services	235,656.87	246,570	260,757	-182,123	78,634	260,423	-181,932	78,491
Operating Expenses	3,452,320.38	4,615,876	4,615,876	-1,011,589	3,604,287	4,615,876	-305,906	4,309,970
Equipment	155,123.78	0	0	0	0	0	0	0
Total Agency Costs	\$3,843,101.03	\$4,862,446	\$4,876,633	\$-1,193,712	\$3,682,921	\$4,876,299	\$-487,838	\$4,388,461
General Fund	647,371.42	724,931	717,035	987,110	1,704,145	716,989	1,269,242	1,986,231
Federal Special Revenue Fund	3,195,729.61	4,137,515	4,159,598	-2,180,822	1,978,776	4,159,310	-1,757,080	2,402,230
Total Funding Costs	\$3,843,101.03	\$4,862,446	\$4,876,633	\$-1,193,712	\$3,682,921	\$4,876,299	\$-487,838	\$4,388,461

Goals

- o To develop and implement an integrated, full-function public assistance/welfare computer system that will reduce administrative and program costs, reduce the potential for fraud and provide a superior level of client service.

Authorization

53-2-201 et seq., MCA, 42 C.F.R. Part 433, 42 C.F.R. Parts 95, 205 and 307, and 7 C.F.R. Part 277. The department has general grant of authority to administer public assistance programs. Federal regulations govern conditions for federal financial participation.

Base Program

The Economic Assistance Management System (TEAMS) activity is the development and implementation of an automated welfare eligibility determination

system. TEAMS will be a complex system with three major subsystems: Client Certification, Financial Management and Control, and Management Information and Control. In addition, there are several interfaces that will be developed to interface with other programs such as the Child Support Enforcement Program, Department of Labor Worker Compensation and Unemployment Programs, Internal Revenue Service and Social Security Administration programs.

The objectives of the TEAMS activity are:

- o Implement and begin operating the TEAMS system in fiscal 1992;
- o to provide eligibility technicians the ability to automatically determine AFDC, Food Stamp and Medicaid eligibility and calculate benefits;
- o to provide automated program financial and management information in an accurate and timely manner;

- o to interface with other systems to verify client eligibility factors and pass data to other program areas;
- o to build a system that will facilitate maintenance and accommodate future changes cost effectively;
- o to provide a system that enables eligibility technicians to be more productive, resulting in real economic benefits to the department;
- o to provide a system that ensures consistency of the application of welfare policy and accuracy and timeliness of benefit determinations and payments.

Base Funding

The TEAMS activity is funded with state general fund and federal funds from the Department of Agriculture and the Department of Health and Human Services. The federal match for the development and implementation is approximately 85 percent federal funds with a 15 percent state match requirement.

The TEAMS pilot is scheduled for May, June and July 1991 and the conversion process is scheduled for August 1991 through November 1991. The facilities management contract is scheduled to begin in August 1991. The federal match rate for operating the TEAMS system is estimated to be 55 percent in the 1993 biennium.

Performance Indicators

TEAMS will generate savings to various benefit

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programs as a result of operational efficiencies and the improved ability to track welfare client participation in public assistance programs. Estimates of these savings are provided below as performance indicators.

Estimated Savings Generated by TEAMS

Category of Savings	<u>FY92</u>	<u>FY93</u>
Overpayment Reduction		
AFDC	\$ 189,576	\$ 314,605
Medicaid	425,565	714,947
Food Stamps	621,000	997,000
Recoupment/Overpayment		
AFDC	38,558	63,987
Medicaid	133,137	224,621
Food Stamps	96,500	154,800
Imp. Case Closure Time		
AFDC	93,182	154,636
Medicaid	90,840	156,613
Inc. TPL Collections	205,183	344,710
Medicaid Decrease-IVD		
Interface	13,487	22,510
Reduced Mailing, Printing		
Costs	39,432	64,134
Reduction in Staff	<u>211,244</u>	<u>216,323</u>
Total	\$2,157,704	\$3,428,886

Increase or Decrease from Base

Modifications

This project includes a modified level budget of \$438,795 in fiscal 1992 and \$485,182 in fiscal 1993, all of which is general fund. This modification reflects the new general fund needed for the project since it will shift to a lower federal matching rate once the development phase is completed and operations begin.

The following table reflects the category of expenditure and funding for this budget modification:

	<u>FY92</u>	<u>FY93</u>
FTE		
Personal Services		
Operating	438,795	485,182
Equipment		
Benefits & Claims		
Total	<u>438,795</u>	<u>485,182</u>
General Fund		
State Special	438,795	485,182
Federal		
Proprietary		
Total	<u>438,795</u>	<u>485,182</u>

Other Increases/Decreases

Six positions were deleted from the TEAMS Program due to the planned full implementation of the

project and another position was transferred to the Audit and Compliance Bureau. These changes will reduce the TEAMS personal services budget by approximately \$182,000 each fiscal year.

The operating budget for TEAMS was completely realigned for fiscal 1992 and 1993 because of the shift from a development phase to an operational status. The net effect was to reduce operating costs by \$1.0 million in fiscal 1992 and approximately \$300,000 in fiscal 1993. As noted above, the federal matching rate will decrease after development is complete. In addition to the new general fund from the modified level budget, about \$548,000 was moved to this project for fiscal 1992 and \$784,000 for fiscal 1993 from projected savings in other operating and benefit programs.

SEARCHS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993		----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
			Base	Incr/Decr	Base	Incr/Decr				
Full Time Equivalent Employees	2.00	2.00	2.00	.00	2.00	.00	2.00	2.00	.00	2.00
Personal Services	31,339.05	73,236	66,293	152	66,445	151	66,137	66,137	151	66,288
Operating Expenses	6,435.44	327,569	317,210	3,855,868	4,173,078	1,510,793	317,240	317,240	1,510,793	1,828,033
Equipment	10,238.40	0	0	107,500	107,500	38,959	0	0	38,959	38,959
Total Agency Costs	\$48,012.89	\$400,805	\$383,503	\$3,963,520	\$4,347,023	\$1,549,903	\$383,377	\$383,377	\$1,549,903	\$1,933,280
General Fund	0.00	40,081	0	0	0	0	0	0	0	0
Federal Special Revenue Fund	42,542.34	360,724	345,153	3,567,168	3,912,321	1,322,913	345,039	345,039	1,322,913	1,667,952
Proprietary Fund	5,470.55	0	38,350	396,352	434,702	226,990	38,338	38,338	226,990	265,328
Total Funding Costs	\$48,012.89	\$400,805	\$383,503	\$3,963,520	\$4,347,023	\$1,549,903	\$383,377	\$383,377	\$1,549,903	\$1,933,280

Goals

- o To develop and install a computer system that is federally certifiable for the Child Support Enforcement (CSE) Division.
- o To build an automated system which will allow caseworkers to process cases within the prescribed federal time frames.
- o To establish increased reliability of data.
- o To ensure timely interfaces with AFDC related and Medicaid data systems.
- o To provide timely and accurate information for tracking program and worker performance with the goal of enabling management to improve the efficiency and effectiveness of the CSE program.

Authorization

40-5-201 et seq., MCA, 53-2-201 et seq., MCA. The department has general grant of authority to administer the CSE Program.

Base Program

The SEARCHS Project objectives include planning for the transfer, implementation and operation of a federally certifiable statewide, automated, comprehensive CSE system. The system is required to meet federal certification criteria and will support the CSE Division operations by providing fiscal and statistical data necessary to meet federal reporting requirements and allow CSE Division managers to measure both overall program and individual caseworker performance.

Base Funding

The SEARCHS project will be funded with enhanced federal funds, upon federal approval, at a match rate of 90 percent federal funds and 10 percent from the CSE enterprise fund.

Performance Indicators

The federal government requires that states have Advanced Planning Documents for comprehensive federally certifiable systems submitted for federal review and approval by October 1, 1991. The comprehensive system is required to pass federal certification by October 1, 1995. In order to meet the deadlines and provide substantial benefit to the CSE program, the project must be completed within time frame and budget limitations.

Increase or Decrease from Base

Modifications

The modified budget request includes expenditures of \$3,963,368 in fiscal 1992 and \$1,549,752 in fiscal 1993 for contractor and equipment costs for the development of the automated system for the CSE Program. The development period will occur in the 18 months between July 1, 1991 and December 31, 1992. The computer system is scheduled to begin operations in January 1993.

The following table reflects the category of expenditure and funding for this budget modification:

	<u>FY92</u>	<u>FY93</u>
FTE		
Personal Services		
Operating	3,855,868	1,510,793
Equipment	107,500	38,959
Benefits & Claims		
Total	<u>3,963,368</u>	<u>1,549,752</u>
General Fund		
State Special		
Federal	3,567,031	1,322,777
Proprietary	396,337	226,975
Total	<u>3,963,368</u>	<u>1,549,752</u>

Other Increases/Decreases

None

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	2.00	2.00	2.00	1.00	3.00	2.00	1.00	3.00
Personal Services	0.00	62,169	61,665	17,925	79,590	61,521	17,885	79,406
Operating Expenses	9,040.63	160,006	415,810	-44,892	370,918	415,954	3,857	419,811
Equipment	2,154.65	255,300	0	50,000	50,000	0	50,000	50,000
Total Agency Costs	\$11,195.28	\$477,475	\$477,475	\$23,033	\$500,508	\$477,475	\$71,742	\$549,217
State Special Revenue Fund	11,195.28	477,475	477,475	23,033	500,508	477,475	71,742	549,217
Total Funding Costs	\$11,195.28	\$477,475	\$477,475	\$23,033	\$500,508	\$477,475	\$71,742	\$549,217

Goals

- To improve the quality of telephone service to the potential 26,000 hearing and speech impaired Montanans.
- To implement a statewide dual-party relay service which will provide handicapped individuals with the same level of telephone service enjoyed by the general population.
- To continue the equipment distribution and follow-up repair and maintenance services.

Authorization

53-19-301, et seq., MCA. Telecommunications Project for the Handicapped is established as an administratively attached agency to the department.

Base Program

The Montana Telecommunications Project for the

Handicapped was established by the 1989 Legislature through HB614. The program's purpose is to provide specialized telecommunications equipment and services (i.e., a statewide, dual-party relay system) which connects persons who are hearing and/or speech impaired with all phases of the public telecommunications service. The service uses oral and print translation through live or automated Telecommunications Devices for the Deaf (TDD) equipment, computers and other similar devices. Changes and improvements in telecommunications technology are advancing rapidly.

Administration is the responsibility of an eleven member committee appointed by the Governor and made up of people from government, business, regulated telecommunications services and the handicapped. It is administratively attached to the Department of SRS.

Support staff and operating costs of the Committee for the Telecommunication Project for the Handicapped include a program director and a distribu-

tions coordinator (2 FTE); and travel/per diem expenses for eleven (11) committee members for approximately six (6) meetings per year.

Most equipment and distribution services costs will have been incurred during the 1991 biennium. These costs will be for new eligible consumers and follow-up repair and maintenance of already acquired equipment. Also included will be outreach and publicity functions.

Costs will consist primarily of contractor expenses for relay services. This service includes: long distance toll free access charges to the relay center within Montana, telephone lines, labor and overhead for relay administration and operators, building rent, furniture, telephone operator terminals and other necessary overhead costs.

Base Funding

Funding is derived from a ten (\$0.10) cent monthly assessment on all telephone customers in Montana. Assessments were implemented July 1, 1989 and are received quarterly on November 1, February 1, May 1, and August 1. Receipts are estimated to be \$430,000 for each year of the biennium. Expenses are projected at \$500,508 for fiscal 1992 and \$549,217 for fiscal 1993, however, start-up costs during the 1991 biennium were planned to allow for adequate carry-over of surplus funds.

It has been the experience of other states offering this service that the popularity of the relay system requires additional operators as time goes on and, in turn, a possible increase in cost. For this reason there are considerations being given to the possibility of "regionalizing" Montana's relay

system with that of another western state (Colorado, Washington, etc.).

Performance Indicators

	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>
	<u>Enacted</u>	<u>Base</u>	<u>Base</u>
Equipment Purchases	500	250	250
Clients Trained	500	250	250
Equipment Repaired	50	75	125
Client Outreach	500	500	500
Committee Meetings	12	12	12
Public Forum Attended	12	12	12
Rules, Policies, Procedures			
Developed	100%	100%	100%
Publicity Announcements			
Completed	4	4	4

	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>
	<u>Enacted</u>	<u>Base</u>	<u>Base</u>
Establish Dual-Party Relay, eff. 7/1/91			
Operator calls handled		30,000	45,000
Number calls blocked		<10%>	<10%>
Participate Work Groups	4	4	4

Increase or Decrease from Base

Modifications

This program includes a modified level budget which would add 1.0 FTE and add \$3,857 for operating costs in fiscal 1993 and \$50,000 for equipment in each year of the biennium.

The following table reflects the category of expenditure and funding for this budget modification:

	<u>FY92</u>	<u>FY93</u>
FTE	1.0	1.0
Personal Services		
Operating	17,783	17,743
Equipment	-0-	3,857
Benefits & Claims	50,000	50,000
Total	<u>67,783</u>	<u>71,600</u>
General Fund		
State Special	67,783	71,600
Federal		
Proprietary		
Total	<u>67,783</u>	<u>71,600</u>

Other Increases/Decreases

Operating costs were reduced by \$44,892 in fiscal 1992 so that the request for equipment funds could be shown in the budget modification.

VOCATIONAL REHABILITATION DIVISION

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
	76.90	75.90	75.90	-1.90	74.00	75.90	-2.40	73.50
Personal Services	1,916,620.87	2,008,906	2,048,067	-44,887	2,003,180	2,046,880	-56,636	1,990,244
Operating Expenses	458,150.13	563,525	535,400	-29,383	506,017	531,842	-52,783	479,059
Equipment	15,862.35	7,463	7,463	3,969	11,432	7,463	3,969	11,432
Benefits and Claims	5,562,259.25	5,893,506	5,893,507	25,000	5,918,507	5,893,507	25,000	5,918,507
Total Agency Costs	\$7,952,892.60	\$8,473,400	\$8,484,437	\$-45,301	\$8,439,136	\$8,479,692	\$-80,450	\$8,399,242
General Fund	848,935.92	964,499	981,368	842	982,210	979,993	839	980,832
State Special Revenue Fund	726,764.05	726,698	721,838	142	721,980	721,447	138	721,585
Federal Special Revenue Fund	6,377,192.63	6,782,203	6,781,231	-46,285	6,734,946	6,778,252	-81,427	6,696,825
Total Funding Costs	\$7,952,892.60	\$8,473,400	\$8,484,437	\$-45,301	\$8,439,136	\$8,479,692	\$-80,450	\$8,399,242

Overview

The mission of the Vocational Rehabilitation (VR) Program is to empower people with disabilities by preparing them for and assisting them in obtaining employment. Due to the similarity between programs and shared funding sources, the Visual Services (VS) Program and the VR Program are administered through the same administrative unit within the department. Both programs are funded and authorized under the federal Rehabilitation Act of 1973, as amended through 1986, and are subject to the same federal regulations.

VR provides rehabilitation services to Montanans with physical or mental disabilities. Clients receive individual counseling and, together with their counselor, develop an individual plan of services. The plan can include: counseling, training, job placement, medical assistance or any other service which will help the client become

employed. For clients not able to enter competitive employment, VR provides sheltered employment, supported employment and independent living services.

During the 1995 biennium, VR faces the potential loss of a substantial portion of its state matching dollars appropriated from the Workers' Compensation Trust Fund (Trust Fund). Currently, the Employment Relations Division (ERD) of the Department of Labor and Industry administers a one percent trust fund accumulated by charging insurance companies one percent of all workers' compensation paid out the prior year. VR is the only entity authorized to spend Trust Fund monies. VR needs to access at least half of the available Trust Fund dollars for its required 20 percent state match. However, changes in the administration of the funds mandated by the 1987 Legislature has resulted in a declining number of referrals to VR with a corresponding decrease in the amount of state fund available to

VR for the required state match for federal funding. In the future, the decrease in the number of referrals will not allow adequate access of the Trust Fund and VR will be forced to either reduce services to VR clients or replace Trust Fund dollars with general fund.

In the Appropriations Report 1991 Biennium, legislative intent that "the Vocational Rehabilitation and Visual Services Programs be allowed flexibility in transferring benefits between programs" was outlined. It is recommended that similar language be included in the general appropriations act.

VOCATIONAL REHABILITATION ADMINISTRATION

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Personal Services	76.90	75.90	75.90	-1.90	74.00	75.90	-2.40	73.50
Operating Expenses	1,916,620.87	2,008,906	2,048,067	-44,887	2,003,180	2,046,880	-56,636	1,990,244
Equipment	458,150.13	563,525	535,400	-29,383	506,017	531,842	-52,783	479,059
Benefits and Claims	15,862.35	7,463	7,463	3,969	11,432	7,463	3,969	11,432
Total Agency Costs	42,835.57	0	0	0	0	0	0	0
	\$2,433,468.92	\$2,579,894	\$2,590,930	\$-70,301	\$2,520,629	\$2,586,185	\$-105,450	\$2,480,735
General Fund	129,440.69	146,238	158,821	842	159,663	157,446	839	158,285
State Special Revenue Fund	362,198.40	392,794	387,934	142	388,076	387,543	138	387,681
Federal Special Revenue Fund	1,941,829.83	2,040,862	2,044,175	-71,285	1,972,890	2,041,196	-106,427	1,934,769
Total Funding Costs	\$2,433,468.92	\$2,579,894	\$2,590,930	\$-70,301	\$2,520,629	\$2,586,185	\$-105,450	\$2,480,735

Goals

- To assist people with physical or mental disabilities secure the best possible employment compatible with their abilities.
- To provide opportunities for people with physical and mental disabilities to live and function independently in the community with the goal of full integration.
- To provide overall policy direction to the VR program.
- To provide the support services necessary to enable the program to most effectively and efficiently deliver services to clients.
- To provide accurate policy guidance to field office staff.
- To develop policy and procedures for the VR programs in accordance with state rules and federal regulations.
- To provide accurate and timely technical assistance and training to VR providers, recipients (grant and client), field personnel and other interested people.
- To promote recipient and provider awareness of VR programs and improve their access to such.
- To manage program expenditures in accordance with federal allocations and state appropriations.
- To develop and maintain positive and effective working relationships with participating VR providers.

- o To complete federal and state reports necessary to maintain program and fiscal compliance.
- o To provide in-service training to program staff to keep them informed of new developments in the rehabilitation field.
- o To involve advocates and persons with disabilities in agency planning and policy development.

Authorization

29 U.S.C. 721, et seq. The federal authority that generally mandates the program's administration by the state. 53-7-101, et seq., MCA. The general state authority for the program.

Base Program

VR Administration provides fiscal, programmatic, technical, administrative and personnel support to the benefit area of the program.

VR provides services statewide from ten field offices: Missoula, Kalispell, Butte, Warm Springs, Helena, Bozeman, Great Falls, Havre, Billings and Miles City. Each field office includes rehabilitation counselors and clerical support staff. In addition, an office manager is assigned to the four district offices (Missoula, Great Falls, Billings and Butte).

To be eligible for "Section 110" services (see Vocational Rehabilitation Benefits), a person must meet three criteria:

1. The person must have a physical or mental disability.
2. The disability must present a substantial handicap to employment.
3. There must be a reasonable expectation that VR services will lead to employment.

The following are examples of the types of disabilities served by the VR program: Orthopedic (cerebral palsy, multiple sclerosis, stroke, arthritis, injuries); mental illness; mental retardation; deaf/hearing impaired; amputations and other (cancer, cardiac, digestive, respiratory, learning disability).

Because VR services are delivered via a one-to-one case management approach, clients receive individualized attention. The counselor, as the case manager, determines the client's needs, arranges and purchases services for the client. Services include counseling, evaluation, medical assistance, training, adaptive equipment, job placement and follow-up services. The counselor provides some services (i.e., counseling and guidance, job placement, follow-up) and purchases others. Although the VR counselors are considered "administration", they provide direct, hands-on services to the clients.

State office support/administrative services are coordinated with the state office administration of the VS program. Most administrative staff work on both the VR and the VS programs. State office staff assure that the programs comply with all federal and state requirements, negotiate contracts with service providers, administer the 12 funding

sources, provide data processing support and, in general, handle the administrative details of the programs.

The VR program serves approximately 6,900 clients per year. Many of these clients have long-term disabilities and remain on the VR caseload for several years before rehabilitation is complete. The objective for the program is to successfully rehabilitate at least 750 clients per year.

Base Funding

Most of the funding for this activity is from Section 110 of the Rehabilitation Act. Funds are 80 percent federal and 20 percent general fund. Other funding sources include in-service training (90 percent federal, 10 percent general fund); MSEED supported employment (100 percent federal); Title VI-C supported employment (100 percent federal); Independent Living-Part A (90 percent federal, 10 percent general fund); Disability Determination (100 percent federal) and Workers' Compensation Rehabilitation Panels (100 percent state special). In addition, \$300,000 of Workers' Compensation Trust Funds are used to pay counselor salaries and to match Section 110.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
# Served	7,526	6,972	6,972	6,972
# Rehabilitated	797	750	750	750
Avg. Weekly Wage	\$189	\$177	\$177	\$177

VR purchases services for clients on the open market. Services such as tuition at University of Montana, clothes from J.C. Penneys, tools from a tool manufacturer, wheelchairs, etc., will increase in price over the next two years. The VR budget does not include funding for inflation in client benefits. Therefore, the number of services purchased will be reduced, as will the number of people served.

Increase or Decrease From Base

Modifications

JTPA funding of \$15,000 is included in contracted services to pay for the Montana Career Information Systems, a computer based system for counselors to assist career counseling and rehabilitation plan development for clients.

The following table reflects the category of expenditure and funding for this budget modification:

	FY92	FY93
FTE		
Personal Services		
Operating	15,000	15,000
Equipment		
Benefits & Claims		
Total	15,000	15,000

	<u>FY92</u>	<u>FY93</u>
General Fund		
State Special		
Federal	15,000	15,000
Proprietary		
Total	<u>15,000</u>	<u>15,000</u>

Other Increases/Decreases

A federal review recommended that medical consultants be paid as contractors rather than as employees. Thus, \$14,307 was moved from personal services to operating expenses and .4 FTE was deleted.

Personal services was also decreased by 1.5 FTE in fiscal 1991 and an additional .50 FTE in fiscal 1992 to reflect the end of the Montana Supported Employment Demonstration (MSSED) project September 30, 1990. Because the project is ending, operating expenses were decreased by \$54,721 in fiscal 1991 and \$78,121 in fiscal 1992.

Equipment was increased by \$3,969 and operating expenses were decreased by \$3,969 to reflect a transfer of costs for district office telephone equipment from operating expenses to equipment.

VOCATIONAL REHABILITATION BENEFITS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	4,418,998.81	4,672,705	4,672,706	25,000	4,697,706	4,672,706	25,000	4,697,706
Total Agency Costs	\$4,418,998.81	\$4,672,705	\$4,672,706	\$25,000	\$4,697,706	\$4,672,706	\$25,000	\$4,697,706
General Fund	420,310.12	509,276	513,562	0	513,562	513,562	0	513,562
State Special Revenue Fund	364,565.65	333,904	333,904	0	333,904	333,904	0	333,904
Federal Special Revenue Fund	3,634,123.04	3,829,525	3,825,240	25,000	3,850,240	3,825,240	25,000	3,850,240
Total Funding Costs	\$4,418,998.81	\$4,672,705	\$4,672,706	\$25,000	\$4,697,706	\$4,672,706	\$25,000	\$4,697,706

Goals

- To assist people with physical or mental disabilities secure the best possible employment compatible with their abilities.
- To provide opportunities for people with physical and/or mental disabilities to live and function independently in the community with the goal of full integration.

Authorization

29 U.S.C. 721, et seq., generally mandates the program. 53-7-101, et seq., MCA, provides authority for the program.

Base Program

The Section 110 benefit is the main emphasis of the VR program. In conjunction with the Administrative portion of the VR program, vocational services are provided to clients across Montana.

Services are coordinated and authorized by the VR counselors who are staff of the Administrative portion of the program and paid for in the VR benefit areas. Services can include the following:

- Medical evaluation to determine the nature and scope of the disability, medical recommendations for it and medical eligibility for the program.
- Vocational Evaluation to determine vocational strengths and weaknesses. This individualized evaluation is also used to plan for services and employment alternatives.
- Medical assistance can be provided if it is determined to be necessary to secure employment. Surgeries and hospitalization, mental health, physical and occupational therapies, prostheses and orthotics may be available.
- Adaptive equipment including adaptive computer equipment, software, other technological

equipment, job modifications and rehabilitation engineering.

o Training for those people who will need a career change because of disability. Such training can involve study in colleges, trade schools, on-the-job training, vocational-technical schools and rehabilitation facilities.

o Tools and licenses can be provided if they are needed to enter a specific trade or profession.

o Other goods and services can be purchased if they are needed to achieve the goal of employment. Such other services might be transportation or maintenance.

o Job development and placement is a service in which the client and the placement specialist work together in job location and employment. Placement in a suitable job is the goal of the VR program.

In addition to purchasing the services listed above, the VR staff provide counseling and other services (see "Vocational Rehabilitation Administration").

In fiscal 1990, VR served 7,526 people and rehabilitated 797. Client weekly wages increased from an average of \$16 before VR services to \$189 at closure.

Objectives of this portion of the VR program are to provide rehabilitation services to 6,972 people with the goal of rehabilitating 750 of them so that they receive an average weekly wage of \$177.

Department of SRS

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Vocational Rehabilitation Division

Base Funding

The majority of funds for this portion of the program are from Section 110 of the federal Rehabilitation Act. Section 110 funds are 80 percent federal and 20 percent general fund. Additional funding sources for this portion of the program include Workers' Compensation Trust Fund, Job Training Partnership Act and Social Security.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
# Served	7,526	6,972	6,972	6,972
# Rehabilitated	797	750	750	750
Avg. Weekly Wage	\$189	\$177	\$177	\$177

VR purchases services for clients on the open market. Services such as tuition at University of Montana, clothes from J.C. Penneys, tools from a tool manufacturer, wheelchairs, etc., will increase in price over the next two years. The VR budget does not include funding for inflation in client benefits. Therefore, the number of services purchased will be reduced, as will the number of people served.

Increase or Decrease from Base

Modifications

Additional JTPA funding of \$25,000 has been included in benefits to reflect the current JTPA grant award. JTPA funds are 100 percent federal.

The following table reflects the category of expenditure and funding for this budget modification:

FTE	<u>FY92</u>	<u>FY93</u>
Personal Services		
Operating		
Equipment		
Benefits & Claims	<u>25,000</u>	<u>25,000</u>
Total	<u>25,000</u>	<u>25,000</u>
General Fund		
State Special		
Federal	25,000	25,000
Proprietary	_____	_____
Total	<u>25,000</u>	<u>25,000</u>

Other Increases/Decreases

None

SUPPORTED EMPLOYMENT, TITLE VI-C

69011043.980

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	244,202.94	246,321	246,321	0	246,321	246,321	0	246,321
Total Agency Costs	\$244,202.94	\$246,321	\$246,321	\$0	\$246,321	\$246,321	\$0	\$246,321
Federal Special Revenue Fund	244,202.94	246,321	246,321	0	246,321	246,321	0	246,321
Total Funding Costs	\$244,202.94	\$246,321	\$246,321	\$0	\$246,321	\$246,321	\$0	\$246,321

Goals

- o To place people with severe disabilities in employment at commensurate wages in integrated employment settings. In this context, "integrated" means people with disabilities working along-side people without disabilities.
- o To develop ongoing support in the areas of training, community access and advocacy for VR clients who require such services and are working at the time of closure.
- o To maintain an interagency coalition of case managers to assure case-finding capacity and support coordination.

Authorization

29 U.S.C. 795, et seq. The federal authority for the program. 53-7-201, et seq., MCA. Authorizes the state program.

Base Program

Title VI-C Supported Employment services are provided to severely disabled people who require ongoing support to maintain employment in a regular job setting. Clients served have severe disabilities and have traditionally not been able to participate in employment and wage earning. VR counselors purchase services, primarily job coaching, from private nonprofit facilities. The job coach analyzes and learns the prospective job then "coaches" the client to do the job. At the beginning of the job, the job coach may be heavily involved. As the client progresses, the need for a job coach lessens. However, supported employment clients need job coach involvement for the length of employment. VR pays for the job coach services during the initial training period. After the client demonstrates job stability, another funding source must pay for the "ongoing" job coach services. Federal law does not allow VR to pay for the job coach services indefinitely. Funding sources which can pay for the "ongoing" services include Developmental Disabilities, Mental Health through the Department of Institutions and Extended

Employment (see "VOCATIONAL REHABILITATION, Extended Employment").

Other Increases/Decreases

None

The objectives of this benefit are to serve 80 severely disabled people, to maintain an average hourly wage of at least \$3.50 (all clients) and to participate in 11 case manager coalitions.

Base Funding

The funding for this program is 100 percent federal from Title VI, Part C, of the Rehabilitation Act.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
# Served	87	80	80	80
Avg. Hourly Wage	\$3.80	\$3.50	\$3.50	\$3.50
# Case Manager Coalitions	10	11	11	11

VR purchases services for clients on the open market. Services such as tuition at University of Montana, clothes from J.C. Penneys, tools from a tool manufacturer, wheelchairs, etc., will increase in price over the next two years. The VR budget does not include funding for inflation in client benefits. Therefore, the number of services purchased will be reduced, as will the number of people served.

Increase or Decrease from Base

Modifications

None

Department of SRS

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Vocational Rehabilitation Division

MIGRANT WORKERS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	104,467.57	127,979	127,979	0	127,979	127,979	0	127,979
Total Agency Costs	\$104,467.57	\$127,979	\$127,979	\$0	\$127,979	\$127,979	\$0	\$127,979
Federal Special Revenue Fund	104,467.57	127,979	127,979	0	127,979	127,979	0	127,979
Total Funding Costs	\$104,467.57	\$127,979	\$127,979	\$0	\$127,979	\$127,979	\$0	\$127,979

Goals

o To identify and contact disabled migrant/seasonal farm workers and their families through intensive outreach within the project's catchment area.

o To counsel, interview and assess those identified as potential VR clients in the project's catchment area.

o To refer those identified by the project coordinator as potentially eligible VR clients for eligibility determination and services.

o To provide continuity of services to those migrant/seasonal farm workers and their families who request it, by referring those clients back to VR agencies in the states where the client resides after the agricultural season is over.

o To refer those disabled migrant/seasonal farm workers and their families who request it to other supportive services available within

the community.

Authorization

29 U.S.C. 777b authorizes the program. 53-7-101, et seq., MCA. Provides general state authority for the program.

Base Program

In 1988, VR contracted with the Montana Migrant and Seasonal Farm Worker Council for the administration of this Migrant Worker benefit. The purpose was to identify, inform, educate and provide intense outreach, supportive services, continuity of services and referral to VR for rehabilitation services of disabled migrant and seasonal farm workers. This project is located in Billings and serves twelve surrounding counties.

The objectives of this benefit are to refer 40 disabled migrant and seasonal farm workers to VR and to contact 20 other state VR agencies on behalf of these clients.

Base Funding

Funding for this benefit is all federal funds from Title III of the Rehabilitation Act. There is a 10 percent state match required for the grant which is provided by the Montana Migrant and Seasonal Farmworker Council using a soft match.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
# Referred to VR	48	40	40	40
# State VR Agencies Contacted	20	20	20	20

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

EXTENDED EMPLOYMENT BENEFITS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Benefits and Claims	281,506.22	279,966	279,966	0	279,966	0
Total Agency Costs	\$281,506.22	\$279,966	\$279,966	\$0	\$279,966	\$0
General Fund	281,506.22	279,966	279,966	0	279,966	0
Total Funding Costs	\$281,506.22	\$279,966	\$279,966	\$0	\$279,966	\$0

Goals

- o To provide sheltered or supported employment to people who experience severe disabilities that prevent them from participating in competitive work without support.
- o To serve people with severe disabilities who require public funding in order to work but are not eligible for funding from any source public or private.

Authorization

53-7-201, et seq., MCA, provides authority for program.

Base Program

The Extended Employment program makes it possible for people with severe disabilities to participate in sheltered or supported employment and earn wages. These benefits are provided in both the VR and VS programs. This benefit provides long-term training support to VR clients who have been hired either

by sheltered workshops (sheltered employment) or private sector employers (supported employment). For supported employment participants, federal funds (see Supported Employment--Title VI-C) pay the initial training expenses, then extended employment pays for the ongoing job coach costs. The program projects to serve 64 people per year with about 10 of those clients in supported employment settings. The number served includes both VR and VS.

Base Funding

This program is 100 percent general fund.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
# Served	72	64	64	64
# Supported Employ.	10	10	10	10

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

SUPPORTED EMPLOYMENT, MSED BENEFITS

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
	.00	.00	.00	.00	.00	.00
Benefits and Claims	293,459.40	295,516	295,516	0	295,516	0
Total Agency Costs	\$293,459.40	\$295,516	\$295,516	\$0	\$295,516	\$0
Federal Special Revenue Fund	293,459.40	295,516	295,516	0	295,516	0
Total Funding Costs	\$293,459.40	\$295,516	\$295,516	\$0	\$295,516	\$0

Goals

- 0 To increase the capability of professionals in Montana's services system to provide supported employment opportunities for people with severe disabilities.
- 0 To demonstrate and replicate approaches to supported employment that are appropriate for Montana's services delivery challenges.
- 0 To increase employer participation in the employment of Montanans with severe disabilities through the development of educational activities and incentive approaches.
- 0 To establish a single point of access to employment services for people with severe disabilities that provides effective case management leading to employment outcomes.
- 0 To inform consumers, parents, professionals, employers and others about the nature and purpose of supported employment for people with severe disabilities.

0 To provide assistance (fiscal and technical) to facilitate the development and implementation of supported employment practices within Montana's services system for people with severe disabilities.

0 To establish linkages between secondary special/vocational education programs and the adult service system to facilitate the transition of students with severe disabilities from school to supported employment.

0 To establish rules, regulations, interagency agreements, and fiscal resources necessary and sufficient to sustain a statewide system of supported employment options for people with severe disabilities.

Authorization

29 U.S.C. 777a(d) is the federal authority for a demonstration program and funding. 53-7-201, et seq., MCA, provides general state authority for the program.

Base Program

This represents the fifth year of a five year grant to the Department of SRS from the Federal Rehabilitation Services Administration. The grant is slated to end September 30, 1991. The purpose of Montana Supported Employment Demonstration Project (MSED) is to provide Montana the financial means to implement systems changes that will facilitate development of supported employment services. Approximately \$130,000 will be let in contracts to private providers to demonstrate various aspects of service provision. In addition, the project's professional staff will provide workshops, on-site technical assistance and contracted consultation to facilities, agencies and consumers.

Objectives of this benefit for fiscal 1992 are to write 6 cooperative agreements, to facilitate placement of 20 people with severe disabilities, and to provide 209 hours of technical assistance.

Base Funding

The base funding is 100 percent federal funds from Title III of the Rehabilitation Act.

Performance Indicators

	FY90	FY91	FY92	FY93
	Actual	Enacted	Base	Base
# Cooperative Agreements	4	6	6	NA
# Facilitated Placements	174	104	0	NA
Tech. Assistance (hrs)	944	1,312	209	NA

Increase or Decrease from Base

No changes were made to the base, however, the MSED grant expires September 30, 1991. Thus, only \$100,000 will be needed in fiscal 1992 and no funds will be needed in fiscal 1993.

Modifications

None

Other Increases/Decreases

None

INDEPENDENT LIVING PART A

69011099.980

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	176,788.74	271,019	271,019	0	271,019	271,019	0	271,019
Total Agency Costs	\$176,788.74	\$271,019	\$271,019	\$0	\$271,019	\$271,019	\$0	\$271,019
General Fund	17,678.89	29,019	29,019	0	29,019	29,019	0	29,019
Federal Special Revenue Fund	159,109.85	242,000	242,000	0	242,000	242,000	0	242,000
Total Funding Costs	\$176,788.74	\$271,019	\$271,019	\$0	\$271,019	\$271,019	\$0	\$271,019

Goals

- o To make independent living services available to people with severe disabilities through community based independent living centers.
- o To promote the opportunity for people with disabilities to live and function independently in the community.

Authorization

29 U.S.C. 796, et seq., provides federal authority for the program. 53-19-101, et seq., MCA, provides state authority for the program.

Base Program

Vocational Rehabilitation contracts with independent living centers to provide Independent Living Part A services. Independent Living is defined as control over one's life based on the choice of acceptable service and community options that minimize reliance on others for making decisions

and conducting activities of daily living. Independent Living centers are located in Billings, Great Falls, Helena, and Missoula. Individuals who are found to have a severe physical or mental disability that poses a barrier to Independent Living in the family, home and/or community and who can significantly benefit from services are deemed eligible for the program. In consultation with the client, an Independent Living specialist develops a plan which contains Independent Living goals that involve housing, transportation, income, support services and/or social/recreational activities. Services may be obtained through information and referral, advocacy and purchase of service. Clients are empowered through skill instruction and individual choice and control of their lives. Adjustment counseling is provided primarily from peer counselors. As a result, applicants are less dependent on other people and public and private agencies and may be ready for VR services.

The objectives of this benefit are to serve 200 people with severe disabilities and to help at least 100 of them meet their independent living goals.

Base Funding

Funding for this benefit is 90 percent federal and 10 percent general fund. The federal part of the funding comes from Title VII, Part A of the Rehabilitation Act.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
# IL Centers in				
Montana	4	4	4	4
# Served	239	210	200	200
# Meeting IL Goals	135	110	100	100

VR purchases services for clients on the open market. Services such as tuition at University of Montana, clothes from J.C. Penneys, tools from a tool manufacturer, wheelchairs, etc., will increase in price over the next two years. The VR budget does not include funding for inflation in client benefits. Therefore, the number of services purchased will be reduced, as will the number of people served.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

DISABILITY DETERMINATION

69011100.000

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	43.13	43.13	43.13	-2.13	41.00	43.13	-2.13	41.00
Personal Services	1,293,254.73	1,406,638	1,419,280	-342,677	1,076,603	1,418,950	-343,224	1,075,726
Operating Expenses	1,066,211.26	1,189,268	1,194,662	345,117	1,539,779	1,193,988	345,664	1,539,652
Equipment	12,803.16	14,000	14,000	0	14,000	14,000	0	14,000
Benefits and Claims	44,071.27	68,000	68,000	0	68,000	68,000	0	68,000
Total Agency Costs	\$2,416,340.42	\$2,677,906	\$2,695,942	\$2,440	\$2,698,382	\$2,694,938	\$2,440	\$2,697,378
Federal Special Revenue Fund	2,416,340.42	2,677,906	2,695,942	2,440	2,698,382	2,694,938	2,440	2,697,378
Total Funding Costs	\$2,416,340.42	\$2,677,906	\$2,695,942	\$2,440	\$2,698,382	\$2,694,938	\$2,440	\$2,697,378

Overview

The Disability Determination Bureau (DDB) has statewide responsibility for the administration of the disability provisions of the Social Security Law. These two provisions are the Social Security Disability Insurance Program (Title II) and the Supplemental Security Income (SSI) Program (Title XVI).

Title II provides cash benefits for those disabled workers (and their dependents) who have contributed to the Social Security Trust Fund through the FICA tax on their earnings. These individuals have an "earned right" to disability insurance benefits. Title XVI provides for a minimum income level for the needy aged, blind and disabled. A person qualifies under the SSI Program because of financial need rather than an earned right.

The Medically Needy determinations for Medicaid coverage are processed by the Disability Determination Bureau. This program represents about

2 percent of total program costs and workload.

The U.S. Supreme Court Decision, Zebley vs. Sullivan has resulted in the Social Security Administration Office of Disability being directed to reprocess denied disability decisions on all SSI childhood claims. At the time of this writing, the retro-active date has not been negotiated. For planning purposes regarding this additional workload, we are anticipating an effective date of 1983. The anticipated size of the class action for Montana, based on our own projections, indicate approximately 750 claims each year of the biennium will require reprocessing. Funding for this workload will be generated from the 1991 Contingency Funds provided by the Federal Office of Management and Budget.

The Omnibus Reconciliation funding appropriation for federal fiscal year 1991 also earmarked funding to reprocess denied Widow/Widower disability claims in keeping with the Ninth Circuit U.S. Court of Appeals which encompasses Montana. The basis for this class action is the consistent application

of disability criteria for widows/widowers as for the disabled adult worker claimants. It is anticipated that approximately 500 claims may require reprocessing as directed by the class action suit. Again, set aside funding specifically for this workload will be available from the Social Security Administration Office of Disability.

Under all programs, the definitions of disability and blindness are essentially the same. The programs define disability as "inability to engage in any substantial gainful activity by reasons of a medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months."

Goals

- o To process claims in the most expeditious manner while maintaining high quality in decisions and documentation efforts.

Authorization

42 U.S.C. 421 and 42 U.S.C. 1383b authorizes the state to conduct disability determinations on behalf of the federal government.

Base Program

Claimants file for disability benefits through local Social Security Field Offices. These offices are staffed by federal Social Security employees. In Montana, they are located in Kalispell, Missoula, Butte, Helena, Bozeman, Great Falls, Havre, Glasgow, Billings and Miles City. Personnel in these field offices conduct eligibility reviews and record

disability related information. When the claim reaches the Disability Determination Bureau in Helena, medical and vocational development is undertaken on behalf of the claimant. In approximately 35 percent of the claims, a consultative medical examination is purchased to more clearly assess the claimant's residual functional capacity.

A disability adjudication team composed of a professional disability examiner and a licensed physician or psychologist decide jointly whether the claimant meets the definition of disability outlined above. The claimant's folder and decision is subject to further sample review in a Social Security Disability component either in the Denver Regional Office or the central office in Baltimore. Medically Needy claims are taken in county welfare offices and follow the same workflow sequence except they are not reviewed by a subsequent SSA component in Denver or in Baltimore. All findings are obtained at no expense to the claimant.

The objectives of the program are to process 217 claims per FTE, to process SSDI claims in 50 days, to process SSI claims in 54 days and to have an accuracy rate of 93.4 percent.

Base Funding

This program is 100 percent federal funds appropriated through the Social Security Law and administered by the Social Security Administration of the federal Department of Health and Human Services.

Performance Indicators

	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
# Claims processed per FTE	212	212	217	217
Processing time-- SSDI claim	50	50	50	50
Processing time-- SSI claims	54	54	54	54
Accuracy rate	93.4%	93.4%	93.4%	93.4%

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

As a result of a 1990 Federal Review of the Disability Determination Bureau, it was recommended that physicians who assist in the disability determination process should be independent contractors. In response to this recommendation, medical consultants are no longer paid from personal services. Thus, \$345,117 has been transferred from personal services to operating expenses. The FTE's will decrease by 2.13 with this change.

VISUAL SERVICES DIVISION

69011300.000

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	18.80	18.80	18.80	-.05	18.75	18.80	-.05	18.75
Personal Services	424,224.57	512,907	511,665	-718	510,947	511,376	-721	510,655
Operating Expenses	105,525.43	106,109	112,032	1,878	113,910	111,731	1,879	113,610
Equipment	9,149.33	9,129	9,129	0	9,129	9,129	0	9,129
Benefits and Claims	671,489.07	641,204	641,204	0	641,204	641,204	0	641,204
Total Agency Costs	\$1,210,388.40	\$1,269,349	\$1,274,030	\$1,160	\$1,275,190	\$1,273,440	\$1,158	\$1,274,598
General Fund	259,709.27	281,106	286,629	232	286,861	286,512	231	286,743
Federal Special Revenue Fund	950,679.13	988,243	987,401	928	988,329	986,928	927	987,855
Total Funding Costs	\$1,210,388.40	\$1,269,349	\$1,274,030	\$1,160	\$1,275,190	\$1,273,440	\$1,158	\$1,274,598

Overview

Due to the similarity in programs, federal authorization (Rehabilitation Act as amended through 1986) and funding sources, the Visual Services (VS) Program is administered through the same organizational unit as the Vocational Rehabilitation Program.

Through a partnership with the federal government, the VS Program provides rehabilitation services to adults who are blind or visually impaired. Clients receive individual counseling, and, together with their counselor, develop an individual plan of services. The plan can include counseling and guidance, job placement, adaptive living techniques, training, medical assistance and any other service which will help the client become employed. For clients not able to enter competitive employment, VS provides sheltered employment, independent living, and visual medical services.

In the Appropriations Report 1991 Biennium, legislative intent that "the Vocational Rehabilitation and Visual Services Programs be allowed flexibility in transferring benefits between programs" was outlined. It is recommended that similar language be included in the general appropriations act.

VISUAL SERVICES ADMINISTRATION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	18.80	18.80	18.80	-.05	18.75	18.80	-.05	18.75
Personal Services	424,224.57	512,907	511,665	-718	510,947	511,376	-721	510,655
Operating Expenses	105,525.43	106,109	112,032	1,878	113,910	111,731	1,879	113,610
Equipment	9,149.33	9,129	9,129	0	9,129	9,129	0	9,129
Total Agency Costs	\$538,899.33	\$628,145	\$632,826	\$1,160	\$633,986	\$632,236	\$1,158	\$633,394
General Fund	104,726.15	125,211	126,565	232	126,797	126,448	231	126,679
Federal Special Revenue Fund	434,173.18	502,934	506,261	928	507,189	505,788	927	506,715
Total Funding Costs	\$538,899.33	\$628,145	\$632,826	\$1,160	\$633,986	\$632,236	\$1,158	\$633,394

Goals

- o To help visually impaired people secure the best possible employment compatible with their abilities.
- o To provide opportunities for visually impaired people to live and function independently in the community with the goal of full community integration.
- o To provide overall policy direction to the VS program.
- o To provide the support services necessary to enable the program to effectively and efficiently deliver services to clients.
- o To provide accurate policy guidance to field office staff.
- o To provide adaptive living techniques to visually impaired people to facilitate their independence.
- o To provide in-service training to nursing homes, hospitals and other facilities which have visually impaired clients.
- o To coordinate Independent Living Part A services (Vocational Rehabilitation Program).
- o To coordinate with the contracted provider of Independent Living Part C services.
- o To act as a clearinghouse for questions and concerns about blindness and adjustment.
- o To act as a liaison in the field for Montana State Library and Low Vision Clinic.
- o To develop policy and procedures for the Visual Services (VS) programs in accordance with state rules and federal regulations.

- o To provide accurate and timely technical assistance and training to VS providers, recipients and other interested people.
- o To promote client and provider awareness of VS programs and improve their access to such.
- o To manage program expenditures in accordance with federal allocations and state appropriations.
- o To develop and maintain positive and effective working relationships with participating VS providers.
- o To complete federal and state reports necessary to maintain program and fiscal compliance.
- o To provide in-service training to program staff to keep them informed of new developments in the rehabilitation field.
- o To involve advocates and people with disabilities in agency planning and policy development.

Authorization

53-7-301, et seq., generally authorizes the state program.

Base Program

VS Administration provides fiscal, programmatic, technical, administrative and personnel support to the benefit area of the program.

VS provides services statewide from four field offices: Missoula, Great Falls, Butte and Billings. Each field office includes a "Visual Services Team" composed of a counselor, rehabilitation teacher, orientation and mobility specialist and a secretary. Clients receive one-on-one services from members of the team.

As the case manager, the counselor determines the need for, arranges and provides services for the client. Services include counseling, evaluation, medical assistance, training, adaptive equipment, job placement, adaptive living techniques and follow-up services. The counselor provides some services (i.e., counseling and guidance, job placement, follow-up) and purchases others. The rehabilitation teacher and orientation and mobility specialist teach adaptive living techniques. Adaptive living techniques include teaching the client about handwriting, cooking, cleaning, sewing, how to use remaining vision with the aid of magnifiers, large print materials, and other devices, how to cross streets safely, how to travel in the neighborhood and other skills to allow the client to live independently. Although for budget purposes the Visual Services teams are included in the "administration" portion of the budget, in fact, they provide direct, hands-on services to the clients.

State office support/administrative services are coordinated with the state office administration of the Vocational Rehabilitation (VR) program. Most state office staff work on both the VR and VS programs. State office staff assure that the program complies with all federal and state requirements, negotiate contracts with service providers, administer the 6 funding sources, provide

data processing support and, in general, handle the administrative details of the program.

In recent years, VS has had difficulty recruiting qualified rehabilitation teachers and orientation and mobility specialists. This problem is not unique to Montana--there is a shortage of these positions nationwide. These professionals are an integral part of the VS "team", and services decline when they are not available. Low pay and the constant travel required are reasons these professionals are difficult to recruit. They can make significantly more money working 8 to 5 in a city clinic or in a school district than they can traveling across Montana as a state employee. VS hires the only rehabilitation teachers and orientation and mobility specialists serving adults in Montana. Without these positions, the service delivery system suffers.

Objectives for this activity are to serve 815 clients, to rehabilitate 93 and to provide training in adaptive living techniques (skill training) to 175 clients.

Base Funding

Funding for this activity is from Section 110 of the Rehabilitation Act. Funds are 80 percent federal and 20 percent general fund. A small amount of rehabilitation in-service training monies (90 percent federal, 10 percent general fund) are available.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
# Served	846	815	815	815
# Rehabilitated	103	93	93	93

Active Caseload:

Orien. & Mobility	114	100	100	100
Rehab. Teaching	175	175	175	175

VS purchases services for clients on the open market. Services such as tuition at University of Montana, clothes from J.C. Penneys, tools from a tool manufacturer, wheelchairs, etc., will increase in price over the next two years. The VS budget does not include funding for inflation in client benefits. Therefore, the number of services purchased will be reduced, as will the number of people served.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

A federal review recommended that medical consultants be paid as contractors rather than as employees. Thus, \$1,878 was moved from personal services to operating expenses and .05 FTE was deleted.

VISUAL SERVICES MEDICAL

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
	.00	.00	.00	.00	.00	.00
Benefits and Claims	75,110.33	78,754	78,754	0	78,754	0
Total Agency Costs	\$75,110.33	\$78,754	\$78,754	\$0	\$78,754	\$0
General Fund	75,110.33	78,754	78,754	0	78,754	0
Total Funding Costs	\$75,110.33	\$78,754	\$78,754	\$0	\$78,754	\$0

Goals

- o To help fund medical treatment to prevent blindness.
- o To help fund medical treatment to restore sight.
- o To help fund medical treatment when sight cannot be restored, but the client needs medical services (i.e., artificial eye).

Authorization

53-7-301, et seq., MCA, generally authorizes the state program.

Base Program

Visual Services Medical (VSM) provides medical services to help preserve and restore eyesight to people with eye problems. This benefit serves both children and adults. Services are coordinated with other similar benefit programs and the benefits do not duplicate Medicaid services.

In fiscal year 1990, 76 people received services such as laser treatment, corneal transplants, cataract removal, vitrectomies and other eye surgery. In addition, this benefit can pay transportation costs when the services cannot be provided in Montana. Usually VSM pays only part of the cost of the treatment.

The objective of this benefit is to provide direct medical services to visually impaired persons. Since the appropriation for this program has remained constant over the past five years while medical inflation has risen, the number of people able to be served by the program has decreased proportionately.

Base Funding

Funding for this benefit is 100 percent general fund.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
# Served	76	60	58	56

VS purchases services for clients on the open market. Services such as tuition at University of Montana, clothes from J.C. Penneys, tools from a tool manufacturer, wheelchairs, etc., will increase in price over the next two years. The VS budget does not include funding for inflation in client benefits. Therefore, the number of services purchased will be reduced, as will the number of people served.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

EXTENDED EMPLOYMENT

69011311.983

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	1,008.00	15,266	15,266	0	15,266	15,266	0	15,266
Total Agency Costs	\$1,008.00	\$15,266	\$15,266	\$0	\$15,266	\$15,266	\$0	\$15,266
General Fund	1,008.00	15,266	15,266	0	15,266	15,266	0	15,266
Total Funding Costs	\$1,008.00	\$15,266	\$15,266	\$0	\$15,266	\$15,266	\$0	\$15,266

Goals

- o To provide sheltered or supported employment to people who experience severe disabilities that prevent them from participating in competitive work without support.
- o To serve people with severe disabilities who require public funding to work but who are not eligible for funding from any other public or private source.

Authorization

53-7-203, et seq., MCA, authorizes the state program.

Base Program

Extended Employment provides sheltered and/or supported employment to people with severe disabilities who are not capable of regular (competitive) work. These benefits are provided in both the VR and VS programs. The people served in this program need long-term help in working.

They work either in a rehabilitation facility or in the community (with a job coach). For supported employment participants, federal funds (see the Supported Employment--Title VI-C write-up under Vocational Rehabilitation) pay the initial training expenses, then extended employment pays the ongoing job coach expenses.

The objective of this benefit is to serve 64 people with severe disabilities (includes both VR and VS).

Base Funding

Funding for this benefit is 100 percent general fund.

Performance Indicators

	FY90	FY91	FY92	FY93
	Actual	Enacted	Base	Base

# Served (includes VR and VS)	72	64	64	64
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Extended employment funds are used in both VR and VS. The funds can be transferred between the two programs depending on the mix of clients. Although the funding appears to increase in VS between 1990 and 1992, the total funding remains constant.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

VISUAL SERVICES BENEFITS

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Recommended		Fiscal 1993		Recommended
			Base	Incr/Decr	Base	Incr/Decr	Base	Incr/Decr	
	.00	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	405,163.63	347,219	347,219	0	347,219	0	347,219	0	347,219
Total Agency Costs	\$405,163.63	\$347,219	\$347,219	\$0	\$347,219	\$0	\$347,219	\$0	\$347,219
General Fund	78,864.79	61,875	66,044	0	66,044	0	66,044	0	66,044
Federal Special Revenue Fund	326,298.84	285,344	281,175	0	281,175	0	281,175	0	281,175
Total Funding Costs	\$405,163.63	\$347,219	\$347,219	\$0	\$347,219	\$0	\$347,219	\$0	\$347,219

Goals

Montana.

o To promote community integration for Montanans with visual impairments.

o To help visually impaired people secure the best possible employment compatible with their abilities.

o To promote the opportunity for visually impaired people to live and function independently in the community.

Authorization

53-7-301, et seq., MCA, generally authorizes the state program.

Base Program

This benefit is the main emphasis of the Visual Services (VS) Program. Through the support of "Visual Services Administration" activity, vocational services are provided to clients across

Services are coordinated and authorized by the VS counselors (in the Visual Services Administration activity) and paid for in the VS benefit areas. Services can include the following:

- Medical evaluation to determine the nature and scope of the disability, medical recommendations for it and medical eligibility for the program.

- Vocational Evaluation to determine the client's vocational strengths and weaknesses. Such individual evaluation is used to plan for services and employment alternatives.

- Medical assistance can be provided if it is needed to secure employment. Surgeries and hospitalization, mental health, physical and occupational therapy, prosthesis and orthotics may also be available.

- Adaptive equipment including low vision aids and appliances, adaptive computer equipment, software, other technological equipment, job modifications and rehabilitation engineering.

- Training for those individuals who will need a career change because of disability. Such training can involve study in colleges, trade schools, on-the-job training, vocational technical schools, and rehabilitation facilities for the blind.

- Tools and licenses can be provided if they are needed to enter a specific trade or profession.

- Other goods and services can be purchased if they are needed to achieve the goal of employment. Such other services might be transportation or maintenance.

- Job development and placement is a service in which the client, counselor and the placement specialist work together in job location and employment. Placement in a suitable job is the goal of the VS program.

In addition to purchasing the services listed above, the VS staff provide counseling and training in adaptive living techniques (see "Visual Services Administration").

In fiscal year 1990, VS served 846 people and rehabilitated 103. Client wages increased from an average of \$18 per week before VS services to \$91 at closure.

Base Funding

Most of the funding for this activity is from Section 110 of the Rehabilitation Act. Funds are 80 percent federal and 20 percent general fund. Some of the funding is from the Job Training Partnership Act (JTPA). JTPA funds can only be used for classroom training and related living expenses.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
# Served	846	815	815	815
# Rehabilitated	103	93	93	93

VS purchases services for clients on the open market. Services such as tuition at University of Montana, clothes from J.C. Penneys, tools from a tool manufacturer, wheelchairs, etc., will increase in price over the next two years. The VS budget does not include funding for inflation in client benefits. Therefore, the number of services purchased will be reduced, as will the number of people served.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

INDEPENDENT LIVING PART C BENEFITS

69011341.983

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993	
			Base	Incr/Decr	Base	Incr/Decr
	.00	.00	.00	.00	.00	.00
Benefits and Claims	190,207.11	199,965	199,965	0	199,965	0
Total Agency Costs	\$190,207.11	\$199,965	\$199,965	\$0	\$199,965	\$0
Federal Special Revenue Fund	190,207.11	199,965	199,965	0	199,965	0
Total Funding Costs	\$190,207.11	\$199,965	\$199,965	\$0	\$199,965	\$0

Goals

- o To enable visually impaired senior citizens to live more independent lives.
- o To provide affordable adaptive equipment.
- o To help fund Radio Reading Services for visually impaired Montanans.

Authorization

29 U.S.C. 796, et seq., provides federal authority for the program. 53-19-101, et seq., MCA, authorizes the state program.

Base Program

Independent Living Part C provides three services to older blind and visually impaired people: senior peer companion, radio reading and equipment loan. In the senior peer companion program, a nondisabled senior citizen, "companion", is paired with a visually impaired senior citizen. The companion helps the visually impaired person with everyday

living tasks by taking him shopping, helping him run errands, reading his mail for him, etc. The companion is paid a small stipend.

A second component of the Independent Living Part C program is the Radio Reading Service. Radio Reading Service is a radio station for visually impaired persons. Magazines, newspapers and articles are read and programming is geared to people with visual impairments. To receive these broadcasts, a listener must have a special receiver. The service operates from both Missoula and Billings. Much of Montana receives these broadcasts.

The third component is the Loan program. Clients can lease adaptive equipment and low vision aids at affordable rates.

The objectives of this benefit are to serve 120 visually impaired seniors, to employ 30 companions and to make \$12,000 of adaptive equipment available.

Base Funding

Funding for this benefit is all federal funds. These funds come from the federal Rehabilitation Act, Title VII, Part C.

Performance Indicators

	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>	FY93 <u>Base</u>
# Served	155	120	120	120
# Companions				
Employed	45	30	30	30
Equipment				
Available	\$12,762	\$12,000	\$12,000	\$12,000

The stipends paid to companions are increasing (federal requirement). However, the budget remains constant. Therefore, we cannot hire as many companions, so not as many people will be served.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

None

DEVELOPMENTAL DISABILITIES DIVISION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	33.25	36.25	36.25	4.00	40.25	36.25	7.00	43.25
Personal Services	957,976.29	1,119,645	1,126,004	126,180	1,252,184	1,124,606	204,851	1,329,457
Operating Expenses	283,910.61	282,513	275,189	31,110	306,299	275,511	49,440	324,951
Equipment	9,822.91	1,452	1,452	12,021	13,473	1,452	8,629	10,081
Benefits and Claims	21,078,372.09	23,105,789	23,757,092	4,245,544	28,002,636	23,757,092	5,588,573	29,345,665
Total Agency Costs	\$22,330,081.90	\$24,509,399	\$25,159,737	\$4,414,855	\$29,574,592	\$25,158,661	\$5,851,493	\$31,010,154
General Fund	7,995,060.95	9,138,952	9,290,736	2,371,274	11,662,010	9,278,661	2,857,192	12,135,853
Federal Special Revenue Fund	14,335,020.95	15,370,447	15,869,001	2,043,581	17,912,582	15,880,000	2,994,301	18,874,301
Total Funding Costs	\$22,330,081.90	\$24,509,399	\$25,159,737	\$4,414,855	\$29,574,592	\$25,158,661	\$5,851,493	\$31,010,154

Overview

The Developmental Disabilities Division (DDD) exists to assure the provision of quality services to Montana citizens who have a developmental disability. An array of residential, vocational, child and family support and other support services are provided throughout the state of Montana through contracts with local nonprofit corporations. Individuals eligible to receive these services are persons with mental retardation, epilepsy, cerebral palsy, autism or other related disorders that begin prior to the individual reaching eighteen years of age.

DEVELOPMENTAL DISABILITIES ADMINISTRATION

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Fiscal 1992		Fiscal 1993		Recommended
			Base	Incr/Decr	Base	Incr/Decr	
	33.25	36.25	36.25	-1.00	36.25	-1.00	35.25
Personal Services	957,976.29	1,119,645	1,126,004	-27,512	1,098,492	-27,453	1,097,153
Operating Expenses	283,910.61	282,513	275,189	648	275,511	648	276,159
Equipment	9,822.91	1,452	1,452	-648	1,452	-648	804
Benefits and Claims	18,842.25	16,000	16,000	0	16,000	0	16,000
Total Agency Costs	\$1,270,552.06	\$1,419,610	\$1,418,645	\$-27,512	\$1,391,133	\$-27,453	\$1,390,116
General Fund	303,014.00	410,179	407,190	-20,556	407,543	-20,513	387,030
Federal Special Revenue Fund	967,538.06	1,009,431	1,011,455	-6,956	1,010,026	-6,940	1,003,086
Total Funding Costs	\$1,270,552.06	\$1,419,610	\$1,418,645	\$-27,512	\$1,417,569	\$-27,453	\$1,390,116

Goals

0 To provide administrative leadership to community-based services for persons with developmental disabilities through policy development, coordination of services and fiscal support.

0 To implement phase IV of the Governor's Action Plan For Modification of the Montana Developmental Disabilities Service System.

0 To develop statewide, coordinated, interagency system of early intervention and family support services for infants and toddlers.

0 To provide an opportunity at the annual Developmental Disabilities Conference for parents, advocates and direct care staff to exchange ideas, attend workshops and hear nationally recognized authorities speak on pertinent topics.

Department of SRS

Authorization

53-20-201, et seq., MCA. Provides the general state authority for the administration of the developmental disabilities program.

Base Program

The administration program consists of the division's staff of 36.25 FTE and the related operating expenditures. Organizationally, the program includes the Administrator's Office and two bureaus.

The administrator's office oversees the two bureaus, the four field areas and the overall service system which contracts with 46 nonprofit corporations providing services to over 2,500 people.

The Management Operations Bureau is responsible for all contracting activity, federal applications and reports, invoicing, fiscal activity, budget

preparation, maintenance of client data bases, accreditation standards and the formalization of rules and policies. This Bureau also organizes the annual Developmental Disabilities Conference. Over 400 people attend this conference, which offers workshops and nationally recognized speakers.

The Field Services and Program Bureau provides monitoring of services and contract compliance, assists in the development of policies and procedures, coordinates the statewide screening and placement process for service openings, assists in the interdisciplinary and technical assistance to and provides training and technical assistance to contracted nonprofit corporations that provide services to people with developmental disabilities.

Base Funding

General fund supports approximately 28 percent of the funding for the Administration Program. The remaining funds are federal funds from the Social Services Block Grant (58 percent), Title XIX (11 percent) and Part H (3 percent).

The conference is funded by registration fees and donations.

Performance Indicators

	FY90	FY91	FY92	FY93
	<u>Actual</u>	<u>Enacted</u>	<u>Base</u>	<u>Base</u>
Number of Contractors	46	47	46	46
Individuals Served*	2,529	2,596	2,596	2,596

* These numbers reflect individuals who receive ongoing services and do not include one time

evaluation and diagnosis services received by approximately 340 children per year. Also, with the exception of 52 Specialized Service and Support Organization (SSSO) individuals, these numbers DO NOT include the additional people to be served by Phases I, II or IV of the Governor's Action Plan.

Increase or Decrease from Base

Modifications

None

Other Increases/Decreases

As part of a department-wide reduction of 9.99 FTE, 1.0 FTE was eliminated from this program and personal services were decreased by approximately \$30,000 each fiscal year.

DEVELOPMENTAL DISABILITIES BENEFITS

690114.15.980

Full Time Equivalent Employees	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
	.00	.00	.00	5.00	5.00	.00	8.00	8.00
Personal Services	0.00	0	0	153,692	153,692	0	232,304	232,304
Operating Expenses	0.00	0	0	30,462	30,462	0	48,792	48,792
Equipment	0.00	0	0	12,669	12,669	0	9,277	9,277
Benefits and Claims	21,059,529.84	23,089,789	23,741,092	4,245,544	27,986,636	23,741,092	5,589,573	29,329,665
Total Agency Costs	\$21,059,529.84	\$23,089,789	\$23,741,092	\$4,442,367	\$28,183,459	\$23,741,092	\$5,878,946	\$29,620,038
General Fund	7,692,046.95	8,728,773	8,883,546	2,391,830	11,275,376	8,871,118	2,877,705	11,748,823
Federal Special Revenue Fund	13,367,482.89	14,361,016	14,857,546	2,050,537	16,908,083	14,869,974	3,001,241	17,871,215
Total Funding Costs	\$21,059,529.84	\$23,089,789	\$23,741,092	\$4,442,367	\$28,183,459	\$23,741,092	\$5,878,946	\$29,620,038

Goals

- To empower individuals with developmental disabilities to become as self-sufficient, independent, and productive as possible by making available an array of least restrictive community-based residential, vocational, child and family support and other support services.

Authorization

53-20-201, et seq., MCA. Provides the general state authority for the delivery of services to persons with developmental disabilities.

Base Program

The current level benefits program contains the funding necessary to provide services to over 2,500 individuals with developmental disabilities. These funds are provided through contracts with private nonprofit corporations. The developmental disa-

bility service system's goal is to assist individuals with a developmental disability in realizing their capacity for independence and community integration. Services provided by the division allow individual clients to move through the system as their needs change resulting in a service system make-up that is dynamic and responsive. These services include adult residential, adult day services, child and family support services and support services.

The current level benefit program also contains annualized funding for the Specialized Service and Support Organization (SSSO). The SSSO began operation in November 1990 and provides residential, employment opportunities and an array of support services (such as physical and speech therapy, nursing, nutritional and psychological) to 52 severely disabled adults. These services are provided under a contract between the department and the Missoula Developmental Services Corporation. People live in seven newly constructed group homes

that are integrated and dispersed throughout the community.

Base Funding

Funding for current level benefits comes from general fund (37 percent), federal Social Services Block Grant (34 percent), federal Medicaid Title XIX (23 percent), with several smaller federal grants making up the remaining 6 percent.

Current level funding maintains the Social Services Block Grant (SSBG) at the fiscal 1991 level of \$8,868,273. Each year, the SSBG national appropriation is reallocated to states based on census information. The result is a steady reduction in the State of Montana's share.

<u>Number</u>	FY90			FY91			FY92			FY93		
	<u>Actual</u>			<u>Enacted</u>			<u>Base</u>			<u>Base</u>		
Individuals Served	2,529	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596
Contractors	46	47	47	47	46	46	46	46	46	46	46	46
Communities Served	155	155	155	155	155	155	155	155	155	155	155	155

Increase or Decrease from Base

Modifications

1. Phases I, II, III and IV of the Governor's Action Plan for the modification of the Montana Developmental Disabilities Service System.

Based on the revised long-term mission statement of the Montana Developmental Center (MDC), many individuals currently residing at MDC can be more appropriately served in

community-based services. These services include intensive group home and supported living arrangements, basic life skills training, work activity training, supported work and transportation. The Governor's Action Plan addresses this movement of individuals to community-based services in four phases:

Phases I and II started operation this biennium and will serve 24 MDC residents in four communities.

Phase III was funded by the 1989 legislature (SSSO) and is currently serving 52 individuals at the Missoula Developmental Services Corporation. Additional funds are requested to help address unanticipated increases in construction, land purchases and related expenses resulting in higher mortgage payments. SSI income will not be sufficient to meet the mortgage plus the cost of food and personal needs.

Phase IV would serve 60 adults, half from MDC and half from community-based waiting lists. Services to 30 adults would begin in November of fiscal 1992. The remaining 30 adults would enter services the following November of fiscal 1993.

Phases I-IV will increase the number of individuals in community-based services by 136. All of these individuals have intensive needs requiring extra staff support. To reduce the additional pressure on an already over-committed staff, funding is included for

8.0 FTE phased-in during the 1993 biennium and a return to the five region administrative concept by increasing from four area offices to five by July 1991.

Increased general fund costs to DDD will be offset by corresponding savings at MDC. Federal funds will be maximized in all phases through the use of the Medicaid Home and Community Based Waiver.

The following tables reflect the category of expenditure and funding for this budget modification:

<u>Phase I & II</u>	<u>FY92</u>	<u>FY93</u>
FTE	2.0	2.0
Personal Services		
Operating	65,324	65,168
Equipment	12,184	12,184
Benefits & Claims	5,039	1,740
	<u>1,074,424</u>	<u>1,074,424</u>
Total	<u>1,156,971</u>	<u>1,153,516</u>
General Fund		
State Special	392,681	390,038
Federal		
Proprietary	764,290	763,478
	<u>1,156,971</u>	<u>1,153,516</u>
Total		

<u>Phase III</u>	<u>FY92</u>	<u>FY93</u>
FTE		
Personal Services		
Operating		
Equipment		
Benefits & Claims	<u>170,000</u>	<u>170,000</u>
Total	<u>170,000</u>	<u>170,000</u>
General Fund		
State Special	129,736	129,680
Federal	40,264	40,320
Proprietary		
Total	<u>170,000</u>	<u>170,000</u>

<u>Phase IV</u>	<u>FY92</u>	<u>FY93</u>
FTE	3.0	6.0
Personal Services		
Operating	88,368	167,136
Equipment	18,278	36,608
Benefits & Claims	7,630	7,537
	<u>1,183,434</u>	<u>2,526,463</u>
Total	<u>1,297,710</u>	<u>2,737,744</u>
General Fund		
State Special	727,727	1,216,301
Federal	569,983	1,521,443
Proprietary		
Total	<u>1,297,710</u>	<u>2,737,744</u>

2. Part H Early Intervention

Part H of Public Law 99-457 provides for an early intervention state grant program for special needs infants and toddlers ages birth to 36 months. To continue participation in this federal grant program, the state must make a policy commitment to ensure a full array of early intervention services to all eligible children and their families. Approximately 1.5 percent of Montana children under 36 months of age experience a developmental delay and would be eligible to receive some, but not all, of the anticipated support services. This general fund proposal will provide the minimum level of early intervention and family support services required by Part H to children and their families currently in the program as well as those eligible children yet to be served.

The following table reflects the category of expenditure and funding for this budget modification:

	<u>FY92</u>	<u>FY93</u>
FTE		
Personal Services		
Operating		
Equipment		
Benefits & Claims	<u>1,141,686</u>	<u>1,141,686</u>
Total	<u>1,141,686</u>	<u>1,141,686</u>

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FY92

FY93

General Fund	1,141,686	1,141,686
State Special		
Federal		
Proprietary		
Total	<u>1,141,686</u>	<u>1,141,686</u>

3. Chapter I Grant Award Increase

The DDD receives Chapter I grant funds from the Office of Public Instruction to provide services to preschool children with developmental disabilities. These services include speech or physical therapy plus educational training and equipment. Grant awards have steadily increased over the years with a major increase in fiscal 1990. Anticipated grant awards and carryover funds will exceed the current level appropriation request by \$90,000. The requested authority would allow for the expenditure of these funds.

The following table reflects the category of expenditure and funding for this budget modification:

	<u>FY92</u>	<u>FY93</u>
FTE		
Personal Services		
Operating		
Equipment		
Benefits & Claims	<u>90,000</u>	<u>90,000</u>
Total	<u>90,000</u>	<u>90,000</u>

Developmental Disabilities Division

FY92 FY93

General Fund	
State Special	
Federal	90,000 90,000
Proprietary	
Total	<u>90,000</u> <u>90,000</u>

4. Increased Title XIX (Medicaid) Authority

An increase in Title XIX authority of \$500,000 per year is requested. This increase would allow DDD to take advantage of federal funds as client eligibility changes occur or the Medicaid Home and Community Based (HCB) Waiver Program expands coverage. Converting general fund services to Medicaid HCB waiver services when possible has allowed the division to steadily serve additional people from the waiting list without increasing general fund expenditures.

The following table reflects the category of expenditure and funding for this budget modification:

	<u>FY92</u>	<u>FY93</u>
FTE		
Personal Services		
Operating		
Equipment		
Benefits & Claims	<u>500,000</u>	<u>500,000</u>
Total	<u>500,000</u>	<u>500,000</u>

FY92 FY93

General Fund	
State Special	
Federal	500,000 500,000
Proprietary	
Total	<u>500,000</u> <u>500,000</u>

5. Montana Youth Initiative

An additional \$86,000 of Title XIX funds is requested to continue services to four youth who began receiving services under the Montana Youth Initiative (MYI) in fiscal 1990. The MYI is a cooperative agreement between state agencies to provide the best and most appropriate treatment for difficult-to-place youth in need of services. The 1989 Legislature appropriated sufficient funds to serve six youth who had been diagnosed as developmentally disabled and emotionally disturbed. The Developmental Disabilities Division is able to serve these youth under the Medicaid Home and Community-Based Waiver program. The Department of Family Services (DFS) provided the state match.

The MYI Committee identified four more youth for services in fiscal 1990. These four individuals are receiving specialized family care services. In fiscal 1990 and fiscal 1991, the state match has been provided through an administrative appropriation with DFS reverting a like amount at fiscal year end. Language is being proposed to allow matching funds to be transferred to DDD from DFS as MYI youth are identified.

The following table reflects the category of expenditure and funding for this budget modification:

FTE	<u>FY92</u>	<u>FY93</u>
Personal Services		
Operating		
Equipment		
Benefits & Claims	<u>86,000</u>	<u>86,000</u>
Total	<u>86,000</u>	<u>86,000</u>
General Fund		
State Special		
Federal	<u>86,000</u>	<u>86,000</u>
Proprietary		
Total	<u>86,000</u>	<u>86,000</u>

Other Increases/Decreases

None

69011500.000

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	3.00	3.00	3.00	.00	3.00	3.00	.00	3.00
Personal Services	61,214.17	68,756	70,528	159	70,687	70,444	157	70,601
Operating Expenses	29,675.28	41,439	41,995	9,818	51,813	42,052	9,847	51,899
Equipment	294.10	0	0	0	0	0	0	0
Benefits and Claims	194,938.98	195,000	195,000	32,500	227,500	195,000	32,500	227,500
Total Agency Costs	<u>\$286,122.53</u>	<u>\$305,195</u>	<u>\$307,523</u>	<u>\$42,477</u>	<u>\$350,000</u>	<u>\$307,496</u>	<u>\$42,504</u>	<u>\$350,000</u>
Federal Special Revenue Fund	286,122.53	305,195	307,523	42,477	350,000	307,496	42,504	350,000
Total Funding Costs	<u>\$286,122.53</u>	<u>\$305,195</u>	<u>\$307,523</u>	<u>\$42,477</u>	<u>\$350,000</u>	<u>\$307,496</u>	<u>\$42,504</u>	<u>\$350,000</u>

is instrumental in the development of programs and policies for services.

The Developmental Disabilities Planning and Advisory Council (DDPAC) was created in the early 1970's by both federal and state legislation. The Council is 100 percent federally funded and it's major function is to plan and advocate for services for persons with developmental disabilities.

The Council, through its grant and contract program, has provided start-up funding for numerous projects of statewide significance. Among these are supported employment, public awareness, naive offender programs and supported living. Another major function of the Council is the creation of a three year State Plan for services. This plan is created through interagency collaboration and public input from forums held statewide. The plan, which is subject to approval by the federal government, details goals, objectives and outcomes for a three year period and, with annual updates,

DDPAC ADMINISTRATION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr	----- Recommended	----- Base	Fiscal 1993 Incr/Decr	----- Recommended
Full Time Equivalent Employees	3.00	3.00	3.00	.00	3.00	3.00	.00	3.00
Personal Services	61,214.17	68,756	70,528	159	70,687	70,444	157	70,601
Operating Expenses	29,675.28	41,439	41,995	9,818	51,813	42,052	9,847	51,899
Equipment	294.10	0	0	0	0	0	0	0
Total Agency Costs	\$91,183.55	\$110,195	\$112,523	\$9,977	\$122,500	\$112,496	\$10,004	\$122,500
Federal Special Revenue Fund	91,183.55	110,195	112,523	9,977	122,500	112,496	10,004	122,500
Total Funding Costs	\$91,183.55	\$110,195	\$112,523	\$9,977	\$122,500	\$112,496	\$10,004	\$122,500

Goals

- o To promote improvement in quality of available services and develop innovative service demonstrations and model programs for persons with developmental disabilities.

improvements to existing services.

The Council also creates a State Plan for services in Montana. This plan, subject to federal approval, details the goals, objectives and outcomes for a three year period, with annual updates.

Authorization

P.L. 100-146 and 53-20-206, MCA. Provides for the establishment and functions of the Council.

Base Funding

The Council operates under a federal grant of \$300,000 and is administratively attached to the Department of SRS. DDPAC administration operates with 35 percent of the grant, or \$105,000.

Base Program

The Council operates under a federal grant. Through its Grant and Contract program the Council is able to provide funding for a variety of innovative programs of statewide importance to persons with developmental disabilities. The Council has on numerous occasions coordinated its efforts with those of various other departments to provide support and technical expertise to enable

These funds are used to cover the administrative expenses of the Council. Items such as office space, utilities, supplies, travel and honorarium expenses for the 22 member Council and staff salaries are included in this category.

Performance Indicators

<u>Workload Measure</u>	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
Program FTE	3	3	3	3
Council meetings held	6	6	6	6
Finance mtgs held	6	6	6	6
Planning mtgs held	6	6	6	6
Evaluation mtgs held	4	4	4	4
Annual Rpt Creation	1	1	1	1
State Plan Creation	1			
State Plan Updates		1	1	1

Increase or Decrease from Base

Modifications

Minimum allotment states in the past have received an award of \$300,000. However, during the most recent congressional session an additional \$50,000 was awarded to all minimum allotment states, including Montana. Additionally, the Council has been advised by the National Association of Developmental Disabilities Councils to anticipate a raise to \$400,000 for all minimum allotment states within the next 2 years. The budget recommended for fiscal 1992 and 1993 reflects an increase of approximately \$10,000 for administrative costs.

The following table reflects the category of expenditure and funding for this budget modification:

	<u>FY92</u>	<u>FY93</u>
FTE		
Personal Services		
Operating	9,977	10,004
Equipment		
Benefits & Claims		
Total	<u>9,977</u>	<u>10,004</u>
General Fund		
State Special		
Federal		
Proprietary		
Total	<u>9,977</u>	<u>10,004</u>

Other Increases/Decreases

None

DDPAC BENEFITS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	194,938.98	195,000	195,000	32,500	227,500	195,000	32,500	227,500
Total Agency Costs	\$194,938.98	\$195,000	\$195,000	\$32,500	\$227,500	\$195,000	\$32,500	\$227,500
Federal Special Revenue Fund	194,938.98	195,000	195,000	32,500	227,500	195,000	32,500	227,500
Total Funding Costs	\$194,938.98	\$195,000	\$195,000	\$32,500	\$227,500	\$195,000	\$32,500	\$227,500

Goals

- o To promote improvement in quality of available services and develop innovative service demonstrations and model programs for persons with developmental disabilities.

Authorization

P.L. 100-146 and 53-20-206, MCA. Provides for the establishment and functions of the Council.

Base Program

The Council operates under a federal grant. Through its Grant and Contract program, the Council is able to provide funding for a variety of innovative programs of statewide importance to persons with developmental disabilities. The Council has on numerous occasions coordinated its efforts with those of various other departments to provide support and technical assistance to enable improvements to existing services.

The Council also creates a State Plan for services in Montana. This plan, subject to federal approval, details the goals, objectives and outcomes for a three year period, with annual updates.

The Council brought supported employment into provider corporations through funding of six demonstrations statewide. The Council has supported the efforts of the low birth weight projects by co-funding four pilot projects statewide. The needs of the naive offender in Montana were addressed under a Council grant to educate law enforcement personnel as to this population. A supported retirement program that has achieved national notoriety is funded by the Council, the program addresses the needs of aging persons with developmental disabilities and their unique needs. Supported Living is of major interest to the Council currently. In fiscal 1990, over \$65,000 in Council funds were committed to Supported Living. In fiscal 1991, the Council anticipates committing over \$90,000 to this concern.

Base Funding

The Council operates under a federal grant of \$300,000 and is administratively attached to the Department of SRS. The Council is mandated by its federal legislation as to how its funding may be used. The Council Grant and Contract program operates with 65 percent of the total grant, or \$195,000.

Performance Indicators

<u>Workload Measure</u>	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
Contracts Issued	12	12	18	20
Total dollars committed in contracts to date \$240,428 (includes carryover savings)				
Review, presentation and negotiation of proposals	50	52	55	57
Contract Amendments reviewed and approved	25	20	20	25

Increase or Decrease from Base

Modifications

Minimum allotment states in the past have received an award of \$300,000. However, during the most recent congressional session an additional \$50,000 was awarded to all minimum allotment states,

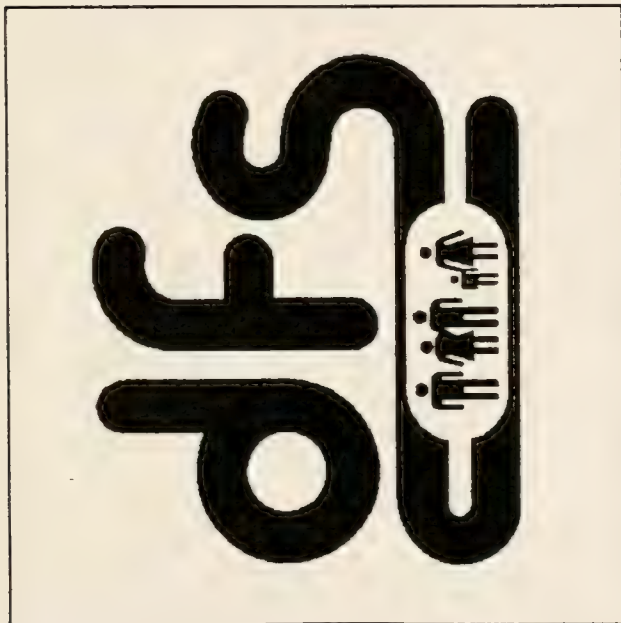
including Montana. Additionally, the Council has been advised by the National Association of Developmental Disabilities Councils to anticipate a raise to \$400,000 for all minimum allotment states within the next 2 years. The budget recommended for fiscal 1992 and 1993 reflects an increase of \$32,500 each fiscal year for benefits.

The following table reflects the category of expenditure and funding for this budget modification:

<u>FTE</u>	<u>FY92</u>	<u>FY93</u>
Personal Services		
Operating		
Equipment		
Benefits & Claims	<u>32,500</u>	<u>32,500</u>
Total	<u>32,500</u>	<u>32,500</u>
General Fund		
State Special		
Federal		
Proprietary	<u>32,500</u>	<u>32,500</u>
Total	<u>32,500</u>	<u>32,500</u>

Other Increases/Decreases

None



DEPARTMENT OF FAMILY SERVICES

DEPARTMENT OF FAMILY SERVICES - NARRATIVE BUDGET JUSTIFICATION
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DEPARTMENT OF FAMILY SERVICES

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr Recommended	----- Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	565.37	562.49	561.49	21.11	582.60	21.11	582.60
Personal Services	13,867,433.40	15,215,079	15,302,287	623,744	15,976,031	622,346	15,918,938
Operating Expenses	1,984,048.72	2,798,675	3,096,831	97,770	3,194,601	140,694	3,272,172
Equipment	42,882.88	54,934	48,066	45,654	93,720	26,059	74,125
Grants	5,176,689.15	5,323,060	5,338,060	109,573	5,447,633	46,933	5,384,993
Benefits and Claims	12,141,392.99	13,481,538	13,486,090	5,376,414	18,862,504	5,686,082	19,172,172
Total Agency Costs	<u>\$34,212,447.14</u>	<u>\$36,873,286</u>	<u>\$37,271,334</u>	<u>\$6,253,155</u>	<u>\$43,524,439</u>	<u>\$6,222,114</u>	<u>\$43,822,400</u>
General Fund	21,944,289.97	24,020,589	24,172,168	4,730,908	28,903,076	4,903,234	29,105,107
State Special Revenue Fund	2,279,588.42	2,534,725	2,529,957	-22,841	2,507,116	-16,602	2,513,360
Federal Special Revenue Fund	9,988,568.75	10,317,972	10,569,209	1,545,088	12,114,297	1,635,482	12,203,933
Total Funding Costs	<u>\$34,212,447.14</u>	<u>\$36,873,286</u>	<u>\$37,271,334</u>	<u>\$6,253,155</u>	<u>\$43,524,439</u>	<u>\$6,222,114</u>	<u>\$43,822,400</u>
Management Support	1,974,513.86	2,036,073	2,180,557	318,716	2,499,273	345,330	2,529,610
Community Services	26,734,374.49	28,923,957	29,101,118	5,873,156	34,974,224	6,109,574	35,211,708
Mountain View School	1,880,172.55	2,068,020	2,119,769	31,628	2,151,397	88,347	2,166,771
Pine Hills School	3,623,386.24	3,845,236	3,869,890	29,655	3,899,545	28,863	3,914,311
Total Program Costs	<u>\$34,212,447.14</u>	<u>\$36,873,286</u>	<u>\$37,271,334</u>	<u>\$6,253,155</u>	<u>\$43,524,439</u>	<u>\$6,222,114</u>	<u>\$43,822,400</u>

AGENCY SUMMARY

MISSION AND GENERAL DESCRIPTION

The Department of Family Services mission is to provide services and leadership to enable Montanans of all ages to live with dignity, free from risk of harm and at their highest possible level of independence.

The department is responsible for services to children and youth, and provides community-based services to the elderly, developmentally disabled, and other populations who need social services. This includes:

- protective services for children, youth and adults who are abused and neglected,
- aging services designed to enhance the self-sufficiency and independence

of the elderly, and

- the two state youth correctional facilities and the aftercare services for youth coming out of these institutional placements.

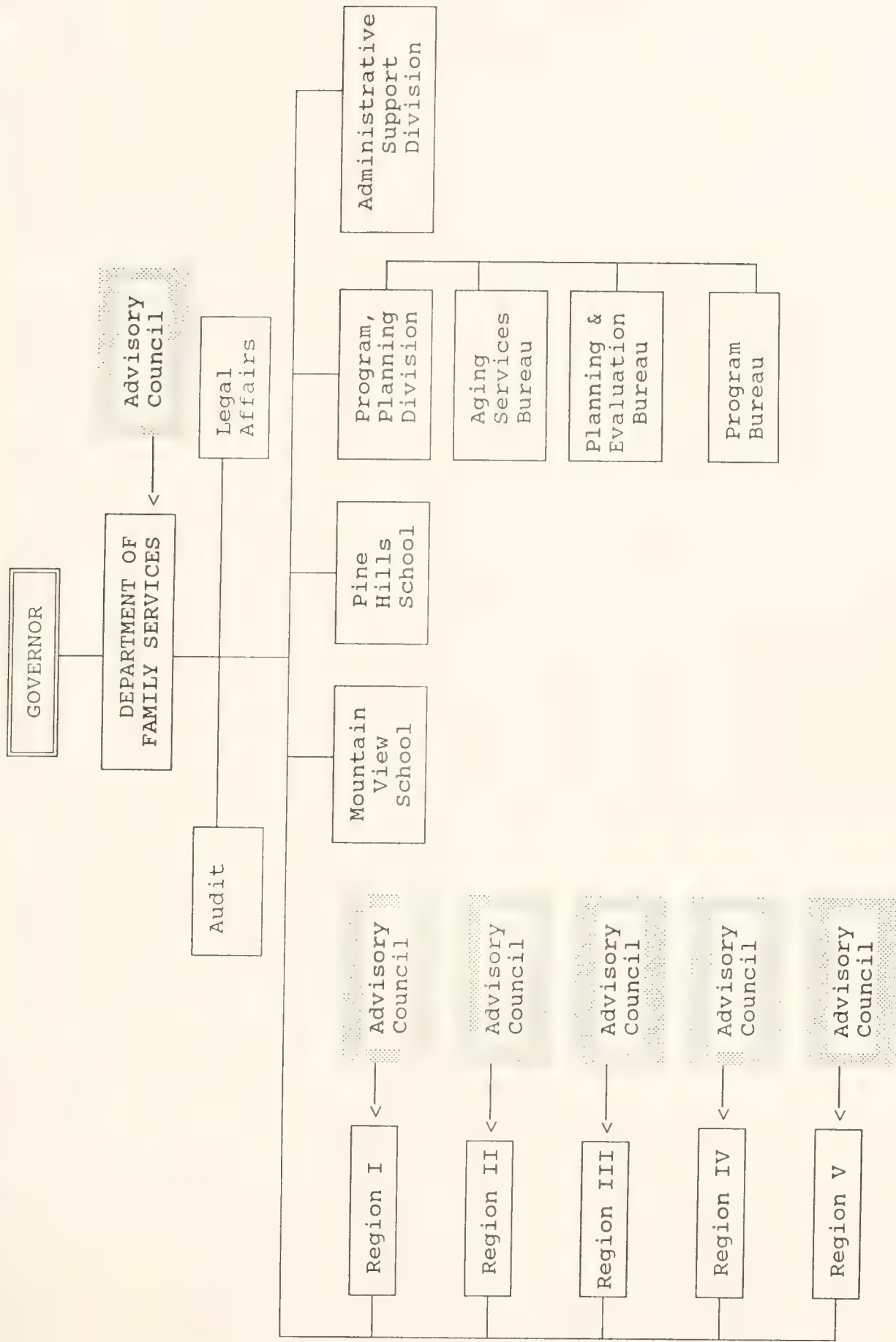
The Department of Family Services is provided for in Section 2-15-2401, MCA. Section 52-1-101, MCA, defines its purpose.

The Department of Family Services (DFS) was created by the 1987 Legislature on the recommendation of a citizen council. DFS consolidates responsibility for services previously provided by the departments of Institutions and Social and Rehabilitation Services.

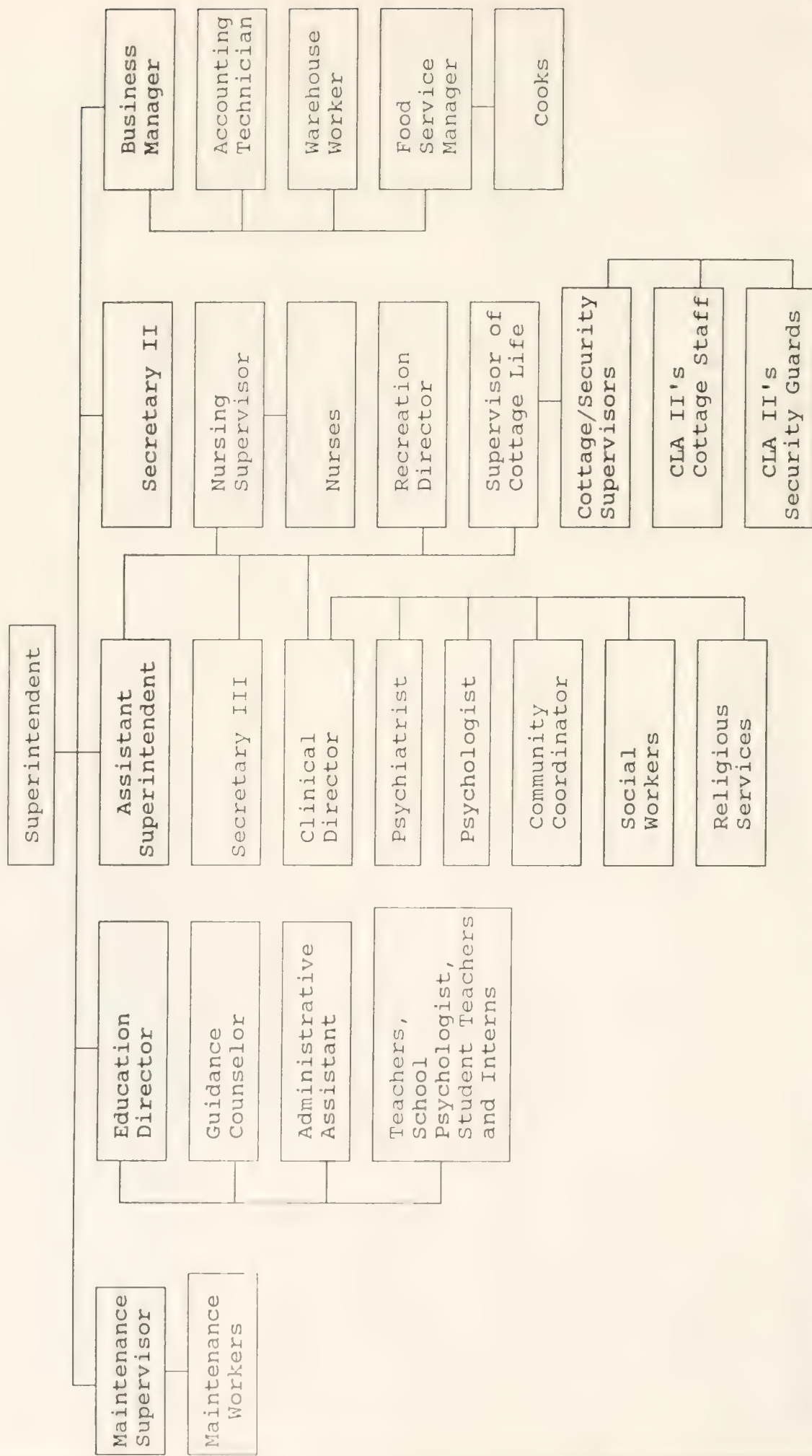
The department uses a regional management structure, with the state divided into five regions. It also includes the Director's Office, management support

and program and planning, Montana's two youth correctional facilities (Pine Hills School for Boys and Mountain View School for Girls).

Family Services works with a State Advisory Council and ten Local Youth Services Advisory Councils representing communities throughout Montana. In an effort to develop community-based programs and to shift policy-making decisions to the local level, the councils are the focus of the department's planning process. With the involvement of other concerned citizens, the local councils assess and plan for the needs of youth and families within their communities and evaluate how effectively those needs are being met.

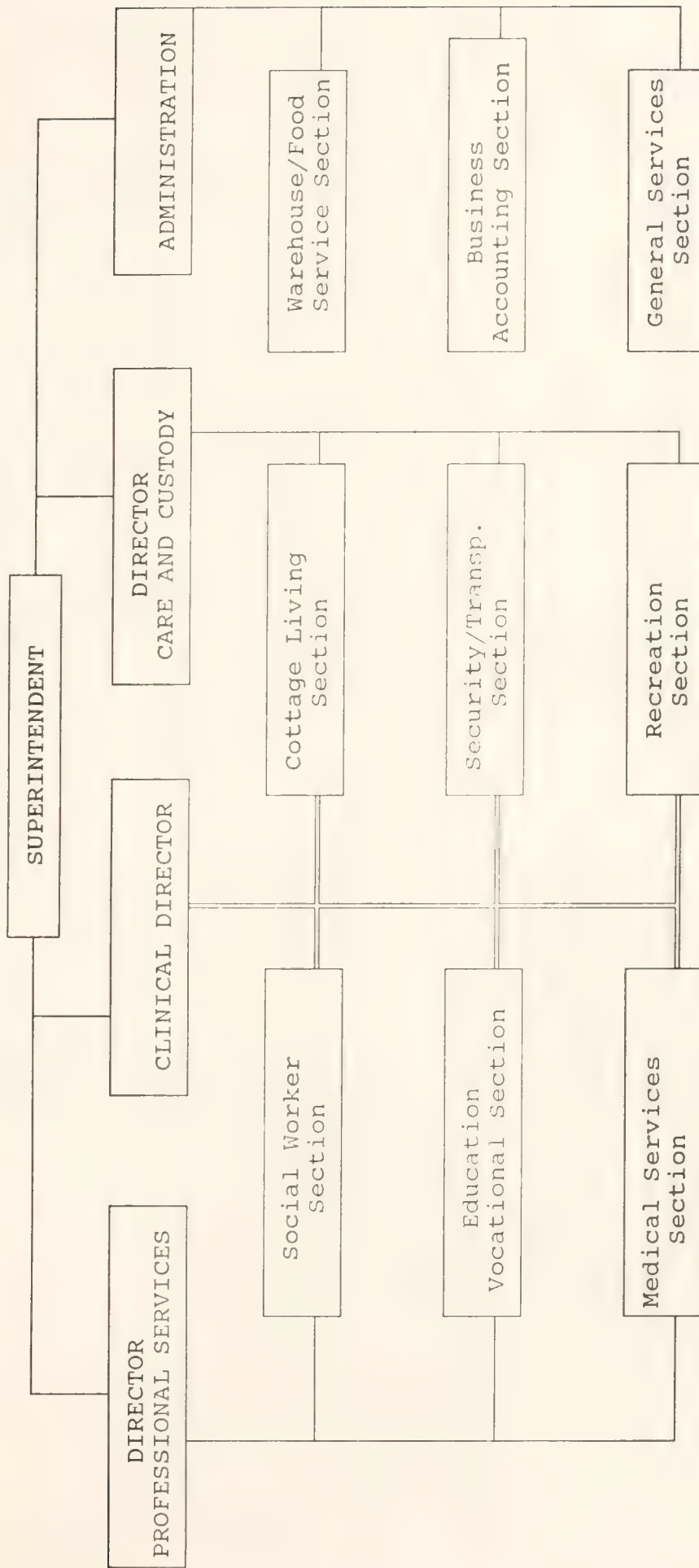


MOUNTAIN VIEW SCHOOL ORGANIZATION STRUCTURE



This chart reflects direct lines of job performance supervision. The chain of command for operations in the absence of the Superintendent is as follows: Assistant Superintendent, Director of Education, Clinical Services Director, Business Manager, School Counselor, and Supervisor of Cottage Life. The Director of Family Services becomes the immediate temporary supervisor of the person in command during the absence of the Superintendent or others in the chain of command.

PINE HILLS SCHOOL ORGANIZATIONAL STRUCTURE



AGENCY ORGANIZATION

The programs and functions of the Department of Family Services are carried out through the following major organizational components:

The State Office in Helena consists of the Director's Office, the legal and audit units, the Aging Services Bureau, the Administrative Support Division and the Program, Planning and Evaluation Division. These offices provide statewide auditing, legal and management support services; policy and procedural direction for the department's programs; and contact with the Governor's Office, the Office of Budget and Program Planning, other state and federal agencies and national organizations.

The State Youth Services Advisory Council, appointed by the Governor, advises the director on policies relating to services to children and youth.

Five regional offices oversee the department's field operations, perform some administrative functions and, together with the 36 local offices throughout Montana, are responsible for direct service delivery and public contact. The regional offices are located as follows:

- Western Region -- Missoula
- Northcentral Region -- Great Falls
- Southwestern Region -- Helena
- Southcentral Region -- Billings
- Eastern Region -- Miles City

In accordance with Sections 52-1-201 through 203, MCA, field offices are organized into local service areas. For each local service area, the department must establish a seven-member local youth services advisory council to "ensure a broad-based community plan for children and youth within the area." Regional offices provide technical assistance to these local councils.

Mountain View School for Girls in Helena and Pine Hills School for Boys in Miles City provide youth correctional services for the state.

MANAGEMENT SUPPORT

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	43.50	43.50	43.50	7.00	50.50	7.00	50.50
Personal Services	1,245,008.11	1,379,028	1,408,277	222,559	1,630,836	222,095	1,628,155
Operating Expenses	721,210.66	648,427	763,662	81,609	845,271	121,687	891,289
Equipment	8,295.09	8,618	8,618	14,548	23,166	1,548	10,166
Total Agency Costs	<u>\$1,974,513.86</u>	<u>\$2,036,073</u>	<u>\$2,180,557</u>	<u>\$318,716</u>	<u>\$2,499,273</u>	<u>\$345,330</u>	<u>\$2,529,610</u>
General Fund	1,465,723.60	1,478,757	1,609,335	236,165	1,845,500	270,530	1,884,016
State Special Revenue Fund	6,075.00	45,000	45,000	-30,000	15,000	-30,000	15,000
Federal Special Revenue Fund	502,715.26	512,316	526,222	112,551	638,773	104,800	630,594
Total Funding Costs	<u>\$1,974,513.86</u>	<u>\$2,036,073</u>	<u>\$2,180,557</u>	<u>\$318,716</u>	<u>\$2,499,273</u>	<u>\$345,330</u>	<u>\$2,529,610</u>

OVERVIEW:

The Management Support Program provides the overall management, legal, administrative and policy development services for the department. The program includes the director's office, legal unit, audit unit, program and planning division and administrative support division.

GOALS:

- To provide the management and administrative support to the regions and programs to ensure the effective and efficient delivery of services required by the Department's mission and legal mandates.
- To develop or revise rules, policies and procedures that appropriately reflect state and federal laws or mandates.
- To develop a comprehensive, cost effective and coordinated service delivery system for Montanans who are elderly.

AUTHORIZATION:

2-15-401 MCA and 52-1-101 MCA

Creates the Department of Family Services and defines its purpose.

52-3-201 to

52-3-206 MCA

Montana Older Americans Act creates the designation of Area Agencies and the State Office on Aging, development of State Plan on Aging, Ombudsman Services, etc.

P.L. 89-75

Federal Older Americans Act calls for a State Agency on Aging, for the development of a State Plan on Aging and had specific guidelines for the development of Area Agencies on Aging and a service delivery system.

Adoption and Child Welfare Act of 1980 outlines major safeguards and protections required for children in foster care.

Title IV-E

Social Security Act outlines the federal requirements for the use of federal IV-E funds for foster care services.

BASE PROGRAM:

The Management Support Program is composed of the Director's Office, Legal Unit, Program and Planning Division and Administrative Support Division. Also included in this program are the Aging Services Bureau, the Audit Unit, Personnel and staff training.

The Director's Office provides department wide leadership regarding the administrative functions and the delivery of services. The legal unit and audit unit are responsible directly to the Director's office.

The Program and Planning Division is responsible for the development of statewide rules, policies and procedures regarding adult and children's protective services, day care, foster care, adoption, licensing, case management, interstate compacts on children and juveniles, supplemental security income and aging services. The Program Bureau also develops and submits grant applications for federal or state funding and provides program management and contract monitoring for funds awarded to the department. The Evaluation Bureau provides analytical and statistical information regarding the department's services and clients. The Bureau also coordinates and assists in the development of the Local Youth Services Advisory Council plans, the State Youth Services Advisory Council plan, and the Federal Child Welfare Services (IV-B) plan. The department's training plan for staff, services providers and related groups is prepared by this division.

The Aging Services Bureau manages and coordinates the department activities regarding services to Montana's elderly population and functions as an advocate for all elderly Montanans to maintain dignity and independence.

The Administrative Support Division provides for the overall policies, procedures and practices regarding fiscal activities, personnel, data processing and information systems, payroll activities, contracts and grant payments, and fiscal reporting.

BASE FUNDING:

The program is funded by general funds, state special revenue funds and federal funds. The federal funds are provided through the department's indirect cost plan with the Department of Health and Human Services which allows a rate of 9.80% of personal services to be claimed against federal programs. The audit function recovers federal funds based on the percentage of time spent on individual programs. The Aging Bureau receives about \$70,000 of direct federal funds with the balance of costs claimed at a 75% federal/25% general fund matching rate. This provides an overall federal funding rate of 13% for this program. The state special revenue funds are generated by fees charged for adoption studies for private adoptions.

PERFORMANCE INDICATORS:

1. Acceptable outcomes from federal and state reviews and audits regarding the department's program and financial activities.
2. Accurate and timely information and reports regarding department services and fiscal activity.
3. Maintain compliance with requirements of all federal programs such as Older Americans Act, Title IV-E and Title IV-B of Social Security Act, Child Abuse and Prevention Act, etc.
4. Maintain compliance with state requirements regarding all department programs and activities.
5. Timely and accurate processing.

INCREASE OR DECREASES FROM THE BASE

1. Base staff adjustment:

There was a net increase in personal services of 2.00 FTE for both years of the biennium due to a base year adjustments. The 2 FTE were transferred from the Community Services program. These positions are identified for the following functions:

- a. An administrative officer (1 FTE) which will be responsible for the development and implementation of the Department policies and procedures as they relate to the Medicaid program.
- b. .5 FTE to be combined with a current (.5 FTE) lawyer position. This provides the Department with a legal staff of two full-time lawyers.
- c. The Indian Child Welfare Specialist position was split between the two programs. .5 FTE is transferred to budget the position full-time in the state office.

FTE	FY 92	FY 93
Personal Services	2.00	2.00
	58,343	58,262

General Fund	49,591	49,523
Federal Fund	8,752	8,739

2. Base Year Operations Adjustments:

There was a net increase in operating expenses of \$39,109 in FY 92 and \$29,187 in FY 93 due mostly to the following base year adjustments: a) the contracted services budget was decreased by \$30,000 to more accurately reflect the number of adoption investigations performed by the Department. This will provide authority for the Department to contract for, and bill back to the adoptive parents, 20 investigations per year; b) insurance and bonds was increased by \$19,015 to budget all insurance costs in the state office to be included in the Departments indirect cost pool. Other programs were reduced by a like amount; c) microfilm services were increased by \$5,968 to provide for the ongoing filming of permanent records, such as adoption files; d) printing costs were increased by \$29,005 to increase the base to the FY 90 actual for printing costs. The printing budget is used to produce and update policy manuals for approximately 285 staff, print forms necessary for the operations and monitoring of programs, and print training materials for staff training programs; and e) \$25,411 in FY 92 and \$14,911 in FY 93 was transferred from the Aging benefits and claims budget to the Aging Bureau administrative budget.

These funds are to be used to contract with the Montana Area Health Education Center in Bozeman for services related to the Aging State Plan.

Operating Costs	FY 92	FY 93
Equipment	39,109	29,187
	11,548	1,548
	40,657	30,735

General Fund	53,698	52,641
State Special Fund	(30,000)	(30,000)
Federal Fund	16,959	8,094

3. Staff increases:

To strengthen the management capability of the state office, 5.00 FTE per year are requested at a cost of about \$376,000 for the biennium (\$216,000 general fund and \$160,000 federal fund).

A. Program Management

Administrator (1 FTE) to direct the development and completion of the continuum of care and to assure consistent policy implementation throughout the field offices.

Bureau Chief (1 FTE) to actively coordinate and/or develop necessary resources to reduce the gaps in the continuum of care.

Administrative Officer - Budget (1 FTE) to provide fiscal expertise directly to the Director's Office on all aspects of the agency budget.

The funding for these positions are from the Federal combined rate of 13% with the balance general fund.

	FY 92	FY 93
FTE	3.00	3.00
Personal Services	110,006	109,748
Operating Costs	10,500	10,500
Equipment	7,800	0
	128,306	120,248
General Fund	111,626	104,616
Federal Fund	16,680	15,632

B. IV-E and Parental Contribution Collections

Program Officer (1 FTE) to specialize in generating additional revenues from the Title IV-E program (foster care) and third party sources such as parental contributions. This position not only will develop the rules, policies and procedures regarding these functions but also provide the training and technical assistance to field staff regarding these issues.

Information Systems Technician (1 FTE) to develop, update and maintain the Department's systems regarding random moment time studies, cost allocation plans, and tracking Title IV-E and parental contribution revenues.

These positions will be funded from the additional revenues collected so there is no cost to the general fund.

	<u>FY 92</u>	<u>FY 93</u>
FTE	2.0	2.0
Personal Services	54,210	54,084
Operating Costs	7,000	7,000
Equipment	5,200	0
	66,410	61,084
General Fund		
Federal Fund	66,410	61,084

4. Management Information System

Funding of \$25,000 in FY 92 and \$75,000 in FY 93 was added to assist the Department in the development of a management information system. The Department's current computer activities are still attached to the SRS system which was in place when the Department was formed. This current system does not provide DFS with the capabilities to meet its informational needs regarding client, family, provider and services information that is needed to effectively serve the Department's clients. Federal regulations also will require an updated system by FY 93. This amount will provide a start in the development of a new management information system.

	<u>FY 92</u>	<u>FY 93</u>
Operating Costs	25,000	75,000
General Fund	21,250	63,750
Federal Fund	3,750	11,250

COMMUNITY SERVICES PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr Recommended	----- Base	Fiscal 1993 Incr/Decr Recommended
Full Time Equivalent Employees	338.33	334.45	334.45	9.75	334.45	344.20
Personal Services	8,153,976.43	8,915,087	8,992,377	295,379	8,983,709	9,278,286
Operating Expenses	1,248,691.72	1,181,907	1,262,226	58,252	1,271,910	1,333,892
Equipment	13,624.20	22,365	22,365	33,538	22,365	42,365
Grants	5,176,689.15	5,323,060	5,338,060	109,573	5,338,060	5,384,993
Benefits and Claims	12,141,392.99	13,481,538	13,486,090	5,376,414	13,486,090	19,172,172
Total Agency Costs	<u>\$26,734,374.49</u>	<u>\$28,923,957</u>	<u>\$29,101,118</u>	<u>\$5,873,156</u>	<u>\$29,102,134</u>	<u>\$35,211,708</u>
General Fund	15,657,503.80	17,341,275	17,289,590	4,466,166	17,290,716	21,895,171
State Special Revenue Fund	1,957,578.82	2,160,963	2,161,105	1,676	2,161,110	2,162,769
Federal Special Revenue Fund	9,119,291.87	9,421,719	9,650,423	1,405,314	9,650,308	11,153,768
Total Funding Costs	<u>\$26,734,374.49</u>	<u>\$28,923,957</u>	<u>\$29,101,118</u>	<u>\$5,873,156</u>	<u>\$29,102,134</u>	<u>\$35,211,708</u>

OVERVIEW:

The Community Services Program provides a variety of social services to children, adults and senior citizens to ensure their health, welfare and safety. Services to children include protective services, foster care, protective day care, independent living, big brothers and big sisters program, adoption, drug and alcohol treatment and coordination with youth court to reduce instances of delinquency. Services to adults include spouse abuse counseling, protective services, day care referral, and health and nutrition information. Services to senior citizens include meal programs, transportation, senior center funding, in-home services and advocacy.

REGIONAL STAFF

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	320.33	317.45	317.45	8.75	326.20	8.75	326.20
Personal Services	7,735,857.46	8,504,212	8,581,468	259,005	8,840,473	258,289	8,831,338
Operating Expenses	1,085,044.57	1,036,636	1,124,926	55,431	1,180,357	58,372	1,191,114
Equipment	6,317.94	22,365	22,365	32,488	54,853	20,000	42,365
Grants	92,431.40	0	0	0	0	0	0
Total Agency Costs	\$8,919,651.37	\$9,563,213	\$9,728,759	\$346,924	\$10,075,683	\$336,661	\$10,064,817
General Fund	6,002,966.22	6,526,663	6,463,505	262,366	6,725,871	253,729	6,716,746
State Special Revenue Fund	812,420.03	912,332	912,332	1,676	914,008	1,659	913,991
Federal Special Revenue Fund	2,104,265.12	2,124,218	2,352,922	82,882	2,435,804	81,273	2,434,080
Total Funding Costs	\$8,919,651.37	\$9,563,213	\$9,728,759	\$346,924	\$10,075,683	\$336,661	\$10,064,817

OVERVIEW:

The primary role of Department of Family Services regional staff is to provide protective services to ensure the health, welfare and safety of children, the developmentally disabled and elderly who are in danger of abuse, neglect or exploitation. Each of the department's five regions provide the administrative, management and supervisory functions necessary to ensure that regional program responsibilities are met, within the framework of department policy and procedures.

Regional staff are responsible for licensing:

- day care, which includes family homes, group day care homes and day care centers;
- community homes for the Developmentally Disabled (DD);
- adult foster homes;
- youth care facilities, which includes youth foster homes, youth group homes and child-care agencies;
- detention facilities, child placing agencies and adoption agencies.

The department cooperates with providers in developing and implementing standards for these facilities.

GOALS:

- ~ To work with the local youth services advisory councils to plan for and develop programs that meet the needs of Montana families.
- ~ To administer, supervise and manage regional staff so that each of the following goals are met.
- ~ To respond within the appropriate time frame to all reports of abuse, neglect or exploitation of children, the elderly or developmentally disabled.
- ~ To ensure that children, the elderly and developmentally disabled clients are placed in the most appropriate and least restrictive setting possible.
- ~ To educate the public and other professionals (such as law enforcement and school employees) about the problem of child abuse and neglect.
- ~ To assist Montana communities in developing effective prevention programs.
- ~ To strengthen troubled families so that children may safely remain in their homes.

~To prevent the mistreatment or neglect of dependent, aged or handicapped persons and to mandate a level of care which meets those groups' needs by inspecting and licensing day care, DD community homes, adult foster homes and youth care facilities.

~To meet the requirements of the Interstate Compact on the Placement of Children.

AUTHORIZATION:

Title 41, Chapter 3 MCA
Child Abuse, Neglect and Dependency statutes charge DFS with the primary responsibility to provide child protective services and provide the legal procedures DFS must follow to obtain the court's sanction of its activities. This chapter also authorizes DFS to issue conditions for and licenses to youth care facilities.

41-4-101, et. seq. MCA
Interstate Placement of Children states that Montana will cooperate with other states in interstate placements.

52-2-721, MCA
Montana Child Care Act state that no person, group or corporation shall establish or maintain a day-care center for children unless licensed by DFS.

53-4-101, et. seq. MCA
Child Welfare Services states that DFS is responsible for strengthening child welfare services; enforcing all laws pertaining to children; supervising the importation and exportation of children.

53-5-201, et. seq. MCA
Protection Services Act for Aged Persons or Disabled Adults states that the department is responsible for acting on requests for protective services for these two populations.

53-5-301, et. seq. MCA
Adult Foster Family Act states that DFS may obtain, license and supervise adult foster family care homes.

53-5-501, et. seq. MCA
Montana Elder and Developmentally Disabled Abuse Prevention Act mandates that DFS shall investigate reports of abuse, neglect or exploitation of these populations and, where appropriate, provide protective services.

53-20-301, et. seq. MCA

Community Homes states that DFS shall adopt standards and rules concerning the administration, operation, health and safety of community homes for the developmentally disabled.

53-20-401, et. seq. MCA

Protective Services for the Developmentally Disabled states that the department is to establish a program to provide protective services for developmentally disabled people. 42 USC 5105 et. seq.
Child Abuse Treatment and Prevention Act sets forth a "model act" for states to follow in providing for the protection of abused and neglected children.

42 USC 470 et. seq.

Federal Payments for Foster Care and Adoptive Assistance enables each state to provide foster care and adoptive assistance for children.

BASE PROGRAM:

Child Protective Services: Family Services is designated by statute as the agency responsible for the protection of children who are abandoned, dependent, neglected or abused. DFS is specifically charged with the duty to investigate reports of child abuse or neglect, and to provide protective services where necessary. This includes the authority to take temporary and permanent custody of a child when ordered to do so by the court. DFS staff is required to maintain data on all child placements funded by the department.

The department provides services in all 56 Montana counties. Department social workers receive and investigate reports of child abuse and neglect in all areas of the state. Based on the information they receive, social workers are responsible for deciding the potential risk involved and investigate accordingly.

Once it is substantiated that a child has been abused or neglected, or is in immediate risk, the social worker takes whatever action is appropriate to protect the child, up to removing the child from the home and placing in protective custody. Social workers are also responsible for working with the child's family so family life can be preserved and parents can fulfill their obligation to provide a safe and nurturing environment for their child(ren).

Adult Protective Services: Family Services is designated by statute to provide protective services to disabled adults and aged persons (60 or over). DFS is charged to conduct investigations and provide services for those aged or developmentally disabled persons who are abused, neglected, and/or exploited. Family Services social workers provide and coordinate the following services: investigation; utilization of family and community resources; strengthening current living situations; removal from unsafe situations; development and protection of financial resources; and legal intervention including guardianship.

Case Management for the Developmentally Disabled (DD): Social workers assigned as case managers for DD people are responsible for ensuring that their clients' needs are met according to a written Individual Habilitation Plan (IHP). This may include placement and substitute care services, coordination of information and referral, access to and delivery of health, personal care, skill building and other appropriate services.

Licensing: Social workers interview applicants, investigate references, complete a study of the home or facility, verify approval from the Department of Health and the State Fire Marshall, evaluate the applicant's suitability and make a recommendation for licensure. Workers conduct an annual licensing

review process and are responsible for investigating reports of non-compliance such as alleged abuse by facility staff.

Interstate Compact on the Placement of Children: Social workers prepare requests for placements in other states, and respond to similar requests from states seeking to place a child in Montana.

BASE FUNDING

The field services program is funded by a mixture of general funds, state special revenues and federal funds. The state special revenue funds are county contributions to the department for social worker salaries, travel and state office administrative costs. The county contributions for non-assumed counties are frozen at the 1987 level plus inflation. For FY 91 this amount is \$912,332, for FY 92 it is \$914,008, and for FY 93 it is \$913,991. Federal funds of \$775,000 per year are budgeted from the Title IV-B program (child welfare services) and the balance of federal revenues generated by using a random moment time study to allocate costs to the Title IV-E program (foster care), Title XIX program (Medicaid) and the Title IV-A program (daycare). The balance of the funding is general fund. Typically, if changes do not effect a specific program, they will be funded at a 85% general fund/15% federal fund match.

PERFORMANCE INDICATORS:

CHILD PROTECTION SERVICES
Incident/reported/investigated
Incidents substantiated

FY 90 ACTU.	FY 91 ENAC.	FY 92 BASE	FY 93 BASE
10,256	10,994	11,786	12,635
4,972	5,250	5,554	5,855

LICENSURE STUDIES COMPLETED

Family Foster Care
Out of Home Programs
Day Care*

1,167	1,167	1,167	1,167
37	37	45	45
1,470	1,470	1,470	1,470

* Licenses and Registrations

ADULT PROTECTIVE SERVICES

Adult Protective Services cases investigated 1,288 1,468 1,688 1,924
Adult Protective Services cases substantiated 714 814 937 1,068

Developmentally Disabled persons receiving case management services

1,491	1,523	*1,563	*1,563
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*If targeted case management is approved the FY92 and FY93 number could increase to 1,723

ADULT LICENSING ACTIVITIES

Adult Foster Homes relicensed 96 101 110 110 9 9
New Adult Foster Homes licensed 5 7
Group Homes for the Developmentally Disabled relicensed 95 99 106 106
New Group Homes for the Developmentally Disabled licensed 4 7 7 7
Group Homes for the Physically Disabled relicensed 2 3 3 4 4
New Group Homes for the Physically Disabled licensed 1 1 2 2

Incident/reported/investigated

FY 92 Incr. In	FY 92 Reco. In	FY 93 Incr. In	FY 93 Reco. In
114	11,786	114	12,635

Developmentally Disabled persons receiving case management services

114	1,677	114	1,677
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INCREASES AND DECREASES FROM BASE

There were three increases to the base budget for Regional staff that added 10.75 FTE and \$260,264 general fund, \$94,284 federal funds in FY 92 and \$278,662 general fund and \$92,752 federal funds in FY 93. These increases are:

1. Staff to address caseload concerns: 8.00 FTE

Both a recent legislative audit and a review by the Governor's Human Services Subcabinet referred to concerns regarding the caseloads of field staff.

Current staffing levels allow for a less than adequate response to the existing cases. The legislative audit found that DFS was not meeting state law and its own policies in many basic areas: documentation of investigations; timeliness of investigations; the social worker contact with children in care. The department has also seen a dramatic increase in the number of law suits brought against it in the last ten years. In large part these can be attributed to the ever increasing caseloads.

Adequate staffing would allow department staff to have time to provide an array of services to prevent placements in some cases of child abuse and neglect and to provide the needed services to get children returned home sooner in other cases. Adequate staffing would allow the department to actually follow basic principles in the area of permanency planning and the federal mandates of reasonable efforts found in Public Law 96 --272.

FTE	FY 92	FY 93
	8.0	8.0
Personal Services	222,920	222,400
Operating Costs		
Equipment	46,400	46,400
	9,600	0
	278,920	268,800
General Fund	237,082	228,480
Federal Fund	41,838	40,320

2. Staff for case management services for developmental disabilities clients: 2.75 FTE

The Department of Family Services will experience increased obligations as a result of Phase Four of the Montana Development

Center plan. One responsibility will be to provide case management services to individuals who are moved off waiting lists and out of the Montana Development Center into community-based environments. For purposes of Phase Four, those individuals on waiting lists are in need of intensive care that will be provided in community-based services.

Fiscal impacts on DFS as result of increased case management obligations are based on the following assumptions:

- a. the number of new clients to be placed in community services during the 1993 biennium is expected to be 30 from MDC and 30 from the waiting lists for intensive level of service;
- b. the number of Montana Development Center residents who will be placed in community services during the 1991 biennium (Phases I through III) but who were not represented in the 1991 biennium Family Services legislative appropriations for case management responsibilities is expected to be 54 total;

- c. the average caseload size for one case manager is estimated at 40 cases per FTE.

	<u>FY 92</u>	<u>FY 93</u>
FTE	2.75	2.75
Personal Services	70,879	70,716
Operating		
Costs	8,861	11,898
Equipment	2,888	0
	82,628	82,614
General Fund	30,182	30,182
Federal Fund	52,446	52,432

3. Equipment for field staff: To address the numerous concerns regarding the lack of and condition of equipment for the field staff, \$20,000 per year general fund was added to provide essential equipment. This will provide about 20 desks, 20 chairs and 40 file cabinets for the biennium. The additional increase in the equipment budget for FY 92 is to provide the basic equipment for the new FTEs.

4. Transfer to Management Staff: 2.00 FTE

As noted in the narrative for the Management Support Program, 2.00 FTE have been transferred out of the Community Services program.

WEST YELLOWSTONE PROGRAM

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended
Full Time Equivalent Employees	(.00)	.00	.00	.00	.00	.00
Grants						
Total Agency Costs	5,148.00 \$5,148.00	5,362 \$5,362	5,362 \$5,362	0 \$0	5,362 \$5,362	0 \$0
General Fund						
Total Funding Costs	5,148.00 \$5,148.00	5,362 \$5,362	5,362 \$5,362	0 \$0	5,362 \$5,362	0 \$0

OVERVIEW:

The West Yellowstone Human Services Coordinator Project (WYHSC) employs a staff person who provides the small community of West Yellowstone with an efficient, organized system of social services delivery. The WYHSC works closely with DFS Child Protective Services by investigating child abuse and neglect complaints and providing follow-up, monitoring and referrals as requested by the Bozeman DFS office. The WYHSC identifies services available to community residents and with service providers, insures that people in need of those services make the proper connections. The coordinator acts in consort with a number of services in this capacity such as: transient aid, low income assistance and employment services. In addition the person assists the community to identify service gaps and coordinates the efforts to develop those services.

GOALS:

- To coordinate human services in West Yellowstone in an effective, efficient manner to insure that limited resources are maximized.
- To identify needed additional services and help secure necessary resources and funds for the community.
- To act as a liaison between the community of West Yellowstone and larger human services communities such as Bozeman.

AUTHORIZATION:

Title 41, Chapter 3 MCA

Child Abuse, Neglect and Dependency statutes charge DFS with the primary responsibility to provide child protective services.

BASE PROGRAM:

This project provides coordination services between persons in need and various members of the human service community in West Yellowstone. Agencies may include any public or private service agency. The major agencies are:

1. The Gallatin County Department of Family Services: The project receives and investigates reports of child abuse and neglect (CA/N); provides follow-up, support and case management services.
2. The Bozeman Human Resources Development Council (HRDC): The project conducts commodities distribution and determines eligibility for other related programs such as Job Training.
3. The Bozeman Salvation Army: The project determines eligibility for emergency services.
4. The City of West Yellowstone: The project operates the food bank and coordinates the short-term emergency services program for local people in emergencies.

5. The Bozeman Montana Job Services office: The project assists applicants in filling out forms, seeking jobs and contacting the main office in Bozeman.

6. Gallatin County Welfare and Department of Public Health: The project makes referrals, remits necessary forms and information for economic assistance. The project makes referrals for WIC and public health services and sets up the schedule for the Well-Child Clinic.

The DFS target population under this contract consists of children and youth in need of day care, foster care, prevention or remedying of child abuse, delinquency prevention or diversion.

BASE FUNDING:

The West Yellowstone contract is funded 100% by state general funds. Approximately 75% of the program costs are from sources other than DFS. The FY 90 program costs were:

City of West Yellowstone	\$ 5,587
Department of Labor/ Job Services	7,150
Gallatin County	500
HRDC District IX	425
City of West Yellowstone	<u>2,550</u>
In-Kind	\$16,212
DFS	<u>5,148</u>
Total	\$21,360

PERFORMANCE INDICATORS:

The performance indicators for this project are maintained by the various community programs for whom the coordinator performs services. For DFS, the crucial performance indicators are:

	FY 90 ACTU.	FY 91 ENAC.	FY 92 BASE	FY 93 BASE
1. Number of referrals for CA/N that are investigated	5/ month	5/ month	5/ month	5/ month
2. Number of active child protective services cases that are provided monitoring and follow-up service	8-10/ month	8-10/ month	8-10/ month	8-10/ month

LEWIS & CLARK HOME HEALTH

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00
Grants	15,000.00	0	15,000	0	15,000	0	15,000
Benefits and Claims	0.00	15,000	0	0	0	0	0
Total Agency Costs	\$15,000.00	\$15,000	\$15,000	\$0	\$15,000	\$0	\$15,000
General Fund	15,000.00	15,000	15,000	0	15,000	0	15,000
Total Funding Costs	\$15,000.00	\$15,000	\$15,000	\$0	\$15,000	\$0	\$15,000

OVERVIEW:

This project provides services to adult and child protective services clients in order to maintain them in their own homes. In the case of children, the DFS social worker and the Lewis and Clark County Home Attendant work to improve the home living environment so that placement out of the home is not necessary. In the case of adults, the project works to maintain community living to and avoid institutionalization. The current priority target group is children and families that DFS has identified as at risk of child abuse and neglect.

GOAL:

- To assist DFS social workers to provide support to individuals in need of protective services in Lewis and Clark County, so as to delay or eliminate the need for entry into more costly programs.

AUTHORIZATION:

53-5-201 MCA
Protective Services Act for Aged Persons or Disabled Adults states that the Department of Family Services is responsible for providing the necessary services to these groups.

53-5-501 MCA
Montana Elder and Developmentally Disabled Abuse Prevention Act requires cooperation among agencies providing human services in preventing the abuse, neglect or exploitation of Montana's elderly and developmentally

disabled people.

41-3-101 MCA

Child Abuse, Neglect and Dependency Act states that the department will serve youth "in a family environment whenever possible; and preserve the unity and welfare of the family whenever possible."

BASE PROGRAM:

There are a variety of services that are provided to clients identified by DFS social workers as highest priority service recipients -- that is, children at risk of abuse and neglect and some disabled adults. Services are provided under contract by the Lewis and Clark County Health Department. All services are intended to maintain viable living environments for adults and or children. The primary target group, determined by DFS social workers, is children needing protection and requiring transportation services. These services may include, but are not strictly limited to:

1. Transportation Services as are necessary to facilitate the protection of children identified as at risk of abuse and neglect.
2. Household management services to assist with those activities that are necessary to maintain the operation of a home.
3. Health Support services to help clients meet general health care needs, including hygiene.

4. Social Restorative services to help clients develop and maintain an adequate repertoire of social activities and contacts.
5. Supervision of parent/child visits at the request of the DFS social worker.
6. Respite services to provide short periods of relief to primary care givers.

BASE FUNDING:

The Lewis and Clark City/County Home Attendent contract is funded 100% by state general funds. This provides approximately a .75 FTE for Lewis and Clark County.

PERFORMANCE INDICATORS:

1. Providing transportation services or household management services to approximately 45 clients -- an estimated 42 children involved in child protection cases and 3 disabled adults.

FY 90 <u>ACTUAL</u> 45	FY 91 <u>ENACTED</u> 45	FY92 <u>BASE</u> 45	FY93 <u>BASE</u> 45
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CHILD ABUSE AND NEGLECT

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Operating Expenses	13,411.84	0	0	0	0	0
Grants	91,564.50	83,731	83,731	0	83,731	0
Benefits and Claims	45,531.73	0	0	0	0	0
Total Agency Costs	\$150,508.07	\$83,731	\$83,731	\$0	\$83,731	\$83,731
Federal Special Revenue Fund	150,508.07	83,731	83,731	0	83,731	0
Total Funding Costs	\$150,508.07	\$83,731	\$83,731	\$0	\$83,731	\$83,731

OVERVIEW:

The basic state grant for child abuse and neglect is a federal non-competitive grant program designed to encourage states to have a "model act" on child abuse and neglect. The grant is also intended to help states be creative in their approach to the prevention and treatment of child abuse.

Federal legislation provides "Baby Doe" grants to all states to enable state child protective services programs to provide education about and protection of handicapped infants.

GOALS:

- To help states improve their response to child abuse and neglect prevention and treatment. Montana DFS chooses to spend its basic grant in a number of areas:
 - the development of community-based prevention and treatment programs;
 - improving the ability of staff to respond to child sexual abuse issues by providing specialized training; and
 - developing an overall state plan for the community-based prevention of child abuse and neglect.

- To insure appropriate protective services response to a report of child abuse regarding a infant with a disability or handicapping condition.

AUTHORIZATION:

42 U.S.C. 5101 et seq. 45 CFR part 1340
Child Abuse Treatment and Prevention Act
sets forth a "model act" for states to follow in providing for the protection of abused and neglected children.

41-3-101 MCA et seq.
Child Abuse, Neglect and Dependency.

BASE PROGRAM:

The \$62,000 State Grant for Child Abuse and Neglect was committed as follows:

\$30,000 for mini-grants (\$6,000 per region) for small community based prevention and treatment programs;
 \$20,000 for development of state prevention plan;
 \$4,000 for administrative expenses; and
 \$8,000 for staff training programs on child sexual abuse related issues.

DFS receives approximately \$22,000 a year to educate CPS staff and related community professionals regarding handicapped infants with life threatening conditions who may also be victims of abuse or neglect. Education includes training staff about agency policy and appropriate response to a report regarding a "Baby Doe" referral.

Training is also conducted with health professionals (doctors, nurses, hospital staffs) regarding their reporting duties.

BASE FUNDING:

The Child Abuse and Neglect program is funded 100% by federal funds from the Department of Health and Human Services/National Center for Child Abuse.

PERFORMANCE INDICATORS:

Workload Measure	FY 90	FY 91	FY92	FY 93
	<u>ACTUAL</u>	<u>ENACTED</u>	<u>BASE</u>	<u>BASE</u>
Minigrants Awarded	15	20	20	20
Training - DFS Staff	50	100	140	140
- Professionals	30	0	0	0
Contract for State Plan	\$20,000	\$20,000	0	0

INCREASE AND DECREASE FROM BASE:

The FY 90 actual of \$150,508 is more than the FY 92 and FY 93 request because FY 90 expenditures include carryover funds from previous years of \$23,024 and \$43,753 of expenditures for the Children's Justice Act program that were budget in this program for FY 90 during the last session. The Children's Justice Act program is a separate request for the 92/93 biennium. The \$83,731 request is the representative amount for one years funding for the state grant and Baby Doe grants without carryover.

DOMESTIC VIOLENCE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Operating Expenses	397.23	0	0	0	0	0
Grants	251,810.20	220,000	220,000	220,000	220,000	220,000
Total Agency Costs	\$252,207.43	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000
General Fund	131,810.20	135,000	135,000	135,000	135,000	135,000
State Special Revenue Fund	70,000.00	35,000	35,000	35,000	35,000	35,000
Federal Special Revenue Fund	50,397.23	50,000	50,000	50,000	50,000	50,000
Total Funding Costs	\$252,207.43	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000

OVERVIEW:

Domestic violence programs give emotional support, assist with emergency housing, provide information about domestic violence laws and legal rights, and provide referral to other agencies which can be contacted for additional assistance to program participants.

GOALS:

- Goals of the DFS Domestic Violence Services program are to assist victims of family violence and their families in securing emergency food and shelter, counseling, advocacy, education, assistance with legal, financial and other crisis and referral to helping agencies.

AUTHORIZATION:

40-2-401 et seq. MCA
Battered Spouses Grant Programs is a grant program established within the Department of Family Services for the allocation of grant money to local battered spouses (domestic violence) programs.

Federal Register vol. 54 No. 242 p. 51947 (1989)
Family Violence Prevention and Services notice of the availability of FY 1990 funds for state and Indian Tribal grants for family violence prevention and services.

BASE PROGRAM:

DFS' Domestic Violence services are provided to victims of spouse abuse and their families, and to others (such as relatives of families suffering from domestic violence.) The total people served averages about 16,000 each year. DFS partially funds both shelters and safe homes, as well as hot line/crisis programs through contracts with 18 community organizations across the state. These organizations rely on extensive volunteer services in addition to paid staff.

Several areas of the state lack services for domestic violence victims. Unserved areas indicating an interest in providing services include Plentywood, Miles City, Baker/Ekalaka, Whitehall and others.

Only three of the State's seven Indian reservations receive federal family violence treatment and prevention funds, resulting in many Native Americans seeking services at shelters or advocacy programs off reservations.

BASE FUNDING:

Total state funding for the program includes \$135,000 of state general funds (partly derived from \$14 of the \$30 marriage license fee). The 1987 Legislature approved additional funds from two state special revenue sources- 1% of Justice Court fines, penalties, forfeitures and fees, and 50% of fines imposed for domestic abuse, except for those collected by a justice court. The 1989 Legislature gave DFS authority to expend

the accrued "fines money" of \$70,000 for FY 90 and \$35,000 for FY 91. Federal funding also comes to the Department of Family Services from the Federal Family Violence Prevention and Services Act. The current level federal allocation is \$50,000 per year.

PERFORMANCE INDICATORS:

	<u>FY 90 ACTUAL</u>	<u>FY 91 ENACTED</u>	<u>FY 92 BASE</u>	<u>FY 93 BASE</u>
Victims:				
Women	3,722	3,722	3,722	3,722
Men	22	22	22	22
Batterers:				
Women	16	16	16	16
Men	194	194	194	194
Children:	2,163	2,163	2,163	2,163
Others:	11,417	11,417	11,417	11,417
TOTALS	17,534	17,534	17,534	17,534

SUBSIDIZED ADOPTION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	275,987.46	199,504	199,504	0	199,504	0	199,504	199,504
Total Agency Costs	\$275,987.46	\$199,504	\$199,504	\$0	\$199,504	\$0	\$199,504	\$199,504
General Fund	122,858.55	109,637	109,637	0	109,637	0	109,637	109,637
Federal Special Revenue Fund	153,128.91	89,867	89,867	0	89,867	0	89,867	89,867
Total Funding Costs	\$275,987.46	\$199,504	\$199,504	\$0	\$199,504	\$0	\$199,504	\$199,504

must be deemed as hard-to-place because of (a) a physical or mental disease

OVERVIEW:

The Subsidized Adoption program is designed to encourage and promote the adoption of children who have special needs. Support services and financial and medical assistance are provided to eligible children who would not likely have a permanent home without a subsidy.

GOALS:

- To provide permanent adoptive homes to children unable to return to the homes of their birth parents
- To keep children from languishing in the foster care system
- To insure medical coverage for children with special needs

AUTHORIZATION:

Section 53-4-301 through 53-4-311, MCA
The Subsidized Adoption Act of 1977 authorizes the department to establish,

administer and regulate a continuing program of subsidized adoption.

BASE PROGRAM:

A child who meets the eligibility criteria for the subsidized adoption program

or disability; (b) a recognized high risk of physical or mental disease or disability; or (c) having a sibling relationship to another child who is also eligible for adoption. A child must also be legally free for adoption and under the age of 18 years. Approval to receive a subsidy is

authorized by the Regional Administrator of the child's residence. Agreements are entered into by the agency and the adopting parents.

The objective of the department is to enable all children whose parents' rights have been terminated and who would otherwise languish in foster care to have a permanent home. Medicaid assistance is provided to eligible children when an adoption assistance agreement is signed.

BASE FUNDING:

The Subsidized Adoption program is funded by both federal and general funds. Federal funding for IV-E eligible subsidy is at the Medicaid rate. Non IV-E subsidies require total state funding. The base funding is about \$75,000 less than the FY 90 actual and possibly less than what will be expended in FY 92 and FY 93. The reason for this is that all placements in subsidized adoption are transferred from the foster care program at a monthly cost that is less than the foster care payment. Therefore any increase in this activity is transferred from the foster care program and actually saves the foster care budget because the subsidized payment is less than the current foster care rate.

PERFORMANCE INDICATORS:

The number of children receiving adoption subsidy:

	<u>FY 90 ACTUAL</u>	<u>FY 91 ENACTED</u>	<u>FY 92 BASE</u>	<u>FY 93 BASE</u>
IV-E Funded	88	96	96	96
State-funded	33	34	34	34
Total	119	130	130	130

REFUGEE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr Recommended	----- Base	Fiscal 1993 Incr/Decr Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Grants	142,718.14	150,000	150,000	0	150,000	0
Benefits and Claims	9,002.36	0	0	0	0	0
Total Agency Costs	\$151,720.50	\$150,000	\$150,000	\$0	\$150,000	\$150,000
Federal Special Revenue Fund	151,720.50	150,000	150,000	0	150,000	0
Total Funding Costs	\$151,720.50	\$150,000	\$150,000	\$0	\$150,000	\$150,000

OVERVIEW:

The refugee program is a national - state program which assists in the resettlement of refugees in each state. Federal funds are provided to the state for social services to assist refugees in securing employment to attain self-sufficiency. Occasional discretionary grants are available for the states to apply for additional funds to promote self-sufficiency.

GOALS:

- ~ The goal of the refugee program is to provide services for an effective resettlement of refugees within Montana communities and to assist them in achieving economic self-sufficiency as quickly as possible.

AUTHORIZATION:

P.L. 96-212 The Refugee Act and amendments 1982 and 1986
CFR Title 45 Part 400 Refugee Resettlement Program
An Act to amend the Immigration and Nationality Act for the admission of refugees and provide uniform basis for the provision of services to refugees.

BASE PROGRAM:

The P.L. 96-212 1980 Refugee Act establishes a uniform program in all states. Funding is provided for time-limited public assistance for the refugees resettling before employment occurs. Funding is also provided for social and

employment service to assist the refugees in securing employment to successfully resettle into the state. Funds are contracted to non-profit refugee organizations in Missoula and Billings.

BASE FUNDING:

The Refugee program is funded 100% by the Department of Health and Human Services/Refugee Resettlement Program.

PERFORMANCE INDICATORS:

	<u>FY 90 ACTUAL</u>	<u>FY 91 ENACTED</u>	<u>FY 92 BASE</u>	<u>FY 93 BASE</u>
Case Management Services to all Refugees statewide	575	600	600	600
English as a second language	60	65	65	65
Employment Services	73	55	55	55
Unaccompanied Minors	4	0	0	0

BIG BROTHERS/BIG SISTERS

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Benefits and Claims	158,400.00	165,000	165,000	0	165,000	0
Total Agency Costs	\$158,400.00	\$165,000	\$165,000	\$0	\$165,000	\$0
General Fund	158,400.00	165,000	165,000	0	165,000	0
Total Funding Costs	\$158,400.00	\$165,000	\$165,000	\$0	\$165,000	\$0

OVERVIEW:

The Big Brothers and Sisters (BB/BS) program is a community-based program for children from single parent families. It is designed to be a prevention program in that it provides role models and healthy adult relationships for children, while giving single parents some respite from parenting.

GOALS:

- To provide positive (same sex) role modeling for at-risk children of single parent families.
- To provide an atmosphere for positive growth and self-esteem for at-risk children.
- To provide limited respite for parents.

AUTHORIZATION:

53-4-101 et seq.
Powers and duties of the Department of Family Services specifically to provide programs to prevent child abuse.

BASE PROGRAM:

DFS contracts with local community-based BB/BS programs, whose staff arrange matches between community volunteers and children for companionship, role-modeling and guidance. Staff of the BB/BS Programs

recruit, interview, screen and train the volunteers and then monitor, review and assess progress in the matches on a regular basis. Recreational and life-enriching group activities are also provided for those children enrolled in the program for whom no Big Brother or Big Sister has yet been found.

Nine programs operate, one in each of 10 communities: Helena, Glendive, Miles City, Butte, Great Falls, Kalispell, Missoula, Bozeman/Livingston and Billings.

BASE FUNDING:

DFS pays for only a portion of the programs. The Big Brothers/Big Sisters program contracts are 100% funded by state general fund. Revenues are generated through the marriage dissolution fee. Other local sources of funding pay at least 2/3 of total program costs.

PERFORMANCE INDICATORS:

Each fiscal year approximately 9,190 units of match are anticipated. A unit of match is one hour of contact between Big and Little Brothers and Sisters per week for four weeks.

ALCOHOL AND DRUG TREATMENT

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Inter/Deer Recommended	Base	Fiscal 1993 Inter/Deer Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Benefits and Claims	201,630.00	205,000	205,000	0	205,000	205,000
Total Agency Costs	\$201,630.00	\$205,000	\$205,000	\$0	\$205,000	\$205,000
General Fund	201,630.00	205,000	205,000	0	205,000	205,000
Total Funding Costs	\$201,630.00	\$205,000	\$205,000	\$0	\$205,000	\$205,000

OVERVIEW:

This program provides inpatient residential drug/alcohol treatment to indigent youth who have been adjudicated youth in need of supervision, youth in need of care or delinquent youth.

GOALS:

- To treat youth who have been adjudicated by the Youth Court, who have chemical related dependencies of a nature that require residential settings for treatment, and who have no means of purchasing such services for themselves.
- To prevent adjudicated youth from going on to commit adult crimes related to alcohol/drug abuse, and entering more costly adult jail programs.

AUTHORIZATION:

- 41-3-1103, MCA
Powers and Duties of the Department gives the department the authority to enter into contracts to provide services for youth in need of care, youth in need of supervision and delinquent youth.
- 41-5-102, MCA
Montana Youth Court Act: A purpose of the Act is to remove the element of retribution when dealing with youth committing violations of law by substituting a program of supervision, care, rehabilitation or possibly retribution.

BASE PROGRAM: Services aimed at eliminating chemical dependency among adjudicated youth are provided in a residential setting by qualified licensed staff. These services are purchased by the Department of Family Services. Payments for residential alcohol and drug treatment for indigent youth are subject to the availability of funds appropriated to the department by the legislature; when the funds run out, the department no longer accepts applications.

BASE FUNDING:

The Alcohol and Drug Treatment program is 100% funded by state general funds. Revenues are generated through taxes on beer sales.

PERFORMANCE INDICATORS:

An estimated 56 youths each fiscal year will be determined in need of treatment. An estimated 60% of youth treated will continue to show improvement 6 months after completion of treatment.

DAYCARE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended
Full Time Equivalent Employees	(0)	(0)	(0)	(0)	(0)	(0)
Grants	56,860.19	50,000	50,000	0	50,000	0
Benefits and Claims	492,260.96	676,585	676,585	0	676,585	0
Total Agency Costs	\$549,121.15	\$726,585	\$726,585	\$0	\$726,585	\$0
General Fund	291,274.64	397,072	397,072	0	397,072	0
Federal Special Revenue Fund	257,846.51	329,513	329,513	0	329,513	0
Total Funding Costs	\$549,121.15	\$726,585	\$726,585	\$0	\$726,585	\$0

OVERVIEW:

The department is recognized as the lead day care agency for planning, implementing and coordinating programs relating to the Montana Child Care Act of 1989.

The U.S. Department of Health and Human Service provides for a small dependent care grant to each state for the purpose of encouraging states to start day care programs for school-age children and a resource and referral program to assist parents in obtaining quality day care for their children.

GOALS:

- To coordinate day care programs within the state for maximizing the use of federal and state funds in serving Montana families.
- To establish a resource and referral (R&R) grant program for privatization of assisting parents in obtaining safe, quality day care and to provide other R&R services.
- To provide payments for child protective service day care for children of eligible families.
- To establish standards for, licensing and monitoring day care providers through registration and licensing procedures of the state.
- The goal of the dependent care grant is to assist communities in planning, developing, establishing, expanding or improving;

1. resource and referral programs; and
2. day care programs for school-age children who otherwise would be "latch key" children, (left without adult supervision and in possible situations of risk.)

AUTHORIZATION:

52-2-701-741 MCA

The Montana Child Care Act designates the department as the lead agency in day care issues and establishes a Governor's Day Care Advisory Council. The Act authorizes the department to accept federal funds to improve or promote child care services, implement licensing/registration standards, payments for day care, and a resource and referral grant program to local communities.

P.L. 98-558 Federal Reg. Vol. 51 #81

HHS Reauthorization Act of 1984 authorizes funds to states based on population to meet the dependent care grant goals.

BASE PROGRAM:

The department sets standards for day care providers, institutes licensing and registration procedures, and monitors providers. Annual relicensing is conducted by department staff. Day Care payments are provided for families in need of protective day care services.

The department has used the request for proposal method to contract with the resource and referral programs (R&R). Nine agencies have contracted to provide R&R services. The R&R agencies are operated at Billings, Bozeman, Butte, Glasgow, Great Falls, Helena, Kalispell, Miles City and Missoula.

Since 1986, the federal government has provided a small grant program to the states for planning, expanding and implementing within local communities day care for school-age children and resource and referral programs to assist parents in finding quality day care providers. School-age day care contracts are in the communities of: Butte, Bozeman, Dillon, Great Falls, Havre, Kalispell, Livingston, Missoula, and Whitefish.

BASE FUNDING:

The day care program is funded from general funds and federal funds. Payments for day care services are based on client eligibility, funding is either 100% general fund for non-AFDC clients, 100% federal funds for refugee clients, or general fund with federal IV-A funding at the medicaid reimbursement rate for AFDC clients. Federal funds of \$50,000 per year are provided by the Department of Health and Human Services for the resource and referral programs and the school-age children program. The federal DHHS dependent care funds are 16% of the funds' contracted to the R&R programs.

The FY 90 actual for day care payments was about \$177,000 less than what was appropriated in the base and what is requested for FY 92 and FY 93. The main reason for this in FY 90 is the Department's efforts to restrict the eligibility for DFS day care payments to protective service cases only. These funds, in FY 90, were used to reduce the supplemental request for foster care. The Department is requesting the day care funding be continued at the FY 91 appropriated level so we can provide services to the increasing protective services caseload and to address the day care needs identified in the HB 100 report.

PERFORMANCE INDICATORS:

	FY 90 ACTU	FY 91 ENAC	FY 92 BASE	FY 93 BASE
1. License/Registered Day Care Providers:	1,290	1,350	1,450	1,500
2. Provided protective service day care to children of needy families:	1,240	1,400	1,527	1,550
3. Provided R&R services to:	598	800	1,200	1,300
4. Recruited new day care providers:	79	108	130	150

SUPPLEMENTAL SECURITY INCOME

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00
Benefits and Claims	855,000.00	895,402	914,954	46,812	961,766	914,954	995,606
Total Agency Costs	855,000.00	895,402	914,954	46,812	961,766	914,954	995,606
General Fund	855,000.00	895,402	914,954	46,812	961,766	914,954	995,606
Total Funding Costs	855,000.00	895,402	914,954	46,812	961,766	914,954	995,606

OVERVIEW:

The State Supplemental Payment Program provides monthly supplemental payments to those individuals eligible for Supplemental Security Income (SSI) and residing in designated facilities.

GOALS:

- To assure that all eligible persons in designated licensed facilities are receiving the appropriate state supplemental payment.
- To assure that state supplemental payments are changed or terminated as required in a timely manner.
- To assure that DFS is aware of and in compliance with the federal regulations related to this program to avoid loss of any federal funds for such programs as medicaid or AFDC.
- To develop accurate adequate funding levels by being aware of any proposed program changes or increases from any state agency that could impact this program.

AUTHORIZATION:

P.L. 93-66 Sections 211 and PL 93-233 Amendments to the federal Social Security Act which authorizes states to supplement the Supplemental Security Income (SSI) payments program.

52-1-104 MCA

Department authorized to provide and set standards for supplementary payments. Authorizes the Department of Family Services to set standards for and make payments to eligible persons who are recipients of SSI.

BASE PROGRAM:

In 1974, the federal government Title XVI Social Security Act amendment put the adult financial assistance programs of Old Age Assistance, aid to the disabled and aid to the needy blind under federal administration and become known as the Social Security Supplemental Security Income program (SSI). Those same amendments authorized states to supplement the SSI payments to individuals. Montana's current state supplementation programs provide a monthly payment to any individual who is eligible for SSI and who resides in the following types of living situations:

	Monthly Rates
1. Community Homes for the Developmentally Disabled	\$94.00
2. Group Homes for the Mentally Ill	\$94.00
3. Group Homes for the Severely Disabled	\$94.00
4. Personal Care Homes	\$94.00
5. Children and Adult Foster Care Homes	\$52.75
6. Developmentally Disabled in Transitional Living services.	\$26.00

The state supplemental payments become a part of the individual's monthly SSI check from the Social Security Administration. The Department transfers funds

to the Social Security Administration to cover the state supplemental payments made by the Social Security Administration. Montana enacted and maintains this program for two basic reasons;

1. to establish an adequate payment level for those persons residing in designated residential care facilities so that they would not have to move to higher levels of care.
2. to save state general fund dollars (since the majority of those people served under this program would otherwise have to go into skilled nursing facilities or back to state institutions).

DFS social workers open and close state supplemental payments and make required changes by submitting transmittal documents to the Social Security Administration. Individual eligibility for this payment program is verified annually by DFS social workers.

BASE FUNDING:

The funding for the SSI program is 100% state general funds.

PERFORMANCE INDICATORS:

WORKLOAD MEASURE	FY 90	FY 91	FY 92	FY 93
	<u>ACTU</u>	<u>ENAC</u>	<u>BASE</u>	<u>BASE</u>
<u>Social Worker Activity</u>				
Supplement cases opened	120	146	179	183
Supplement cases terminated	84	86	88	91
Changes made in cases	408	440	474	483
Eligibility Verified	902	930	968	987
<u>Payment Activity</u>				
State Supplemental Payments Made	10,824	11,160	11,394	11,622
Persons receiving State Supplemental Payment	902*	930	968	987

*Monthly average for one year.

	FY 92	FY 92	FY 93	FY 93
	<u>Incr</u>	<u>Reco</u>	<u>Incr</u>	<u>Reco</u>
State Supplemental Payments Made	498	11,892	898	12,520
Persons Receiving State Supplemental Payment	54	1,022	84	1,071

INCREASE OR DECREASE FROM BASE

The base funding for the SSI program was increased by \$19,552 per year to account for the SSSO project started in FY 91. The base had to be adjusted by 54 clients at \$94 per month for 4 months (\$19,552) to include a full year of payments for the SSSO project.

In compliance with the Governor's Action Plan for modification of the Montana Developmental Disabilities Service System the state supplemental payment program will be impacted by an increase of 84 new recipients by the end of the biennium. These new recipients will come from the Montana Development Center (MDC) or Eastmont Human Services Center (EHSC). The breakdown is as follows: 1) the number of clients to be placed in community services during the Phases I and II, but were not included in the 1991 Biennium Family Services legislative appropriations for State Supplement payments is expected to be 24; 2) FY 92 costs are based on 24 clients for 12 months (Phases I and II) and 30 clients for 7 months (Phase IV); 3) FY 93 costs are based on 24 clients for 12 months (Phases I and II), 30 clients for 12 months, and 30 clients for 7 months (Phase IV); and 4) each client is eligible for \$94 per month reimbursement, annualized at \$1,128 per client.

This amounts to an increase of \$46,812 in FY 92 and \$80,652 in FY 93 in SSI payments.

AGING

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended	
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00
Grants	4,460,030.00	4,752,547	4,752,547	-25,411	4,727,136	-14,911	4,737,636
Benefits and Claims	83,140.95	0	0	0	0	0	0
Total Agency Costs	<u>\$4,543,170.95</u>	<u>\$4,752,547</u>	<u>\$4,752,547</u>	<u>\$-25,411</u>	<u>\$4,727,136</u>	<u>\$-14,911</u>	<u>\$4,737,636</u>
General Fund	695,149.39	646,477	646,477	-5,857	640,620	-3,231	643,246
Federal Special Revenue Fund	3,848,021.56	4,106,070	4,106,070	-19,554	4,086,516	-11,680	4,094,390
Total Funding Costs	<u>\$4,543,170.95</u>	<u>\$4,752,547</u>	<u>\$4,752,547</u>	<u>\$-25,411</u>	<u>\$4,727,136</u>	<u>\$-14,911</u>	<u>\$4,737,636</u>

OVERVIEW:

The Area Agencies develop the local planning process and provide services or contract with individual agencies to provide service. There are over 1,000 local service providers in all 56 counties in Montana that serve the elderly by utilizing local county funds, contributions, donations, state funds and federal funds. All funds, units of service and number of clients served are reported to the Area Agencies. The Area Agencies prepare monthly reports to the Governor's Office on Aging for reimbursement.

GOALS:

- ~ To develop a comprehensive, cost effective and coordinated service delivery system for Montanans who are elderly.
- ~ To advocate for all elderly Montanans to maintain dignity and independence.
- ~ To emphasize delivery and development of services to elderly people who are socially and economically disadvantaged, by better coordination with other service delivery systems, such as Medicaid, food stamps, Veterans, etc.
- ~ To draw upon a variety of funds, such as Federal, State, Local and voluntary contributions by seniors and family members, to develop necessary services for senior citizens at risk of early institutionalization.

~ To continue to develop community-based and in-home services as an alternative to higher cost institutional care.

AUTHORIZATION:

P. L. 89-73

The Federal Older Americans Act calls for a State Agency on Aging, for the development of a State Plan on Aging and has very specific guidelines for the development of Area Agencies on Aging and a service delivery system.

52-3-201-206 MCA

Montana Older Americans Act: designation of Area Agencies and State Office on Aging, development of State Plan on Aging, Ombudsman Services, etc.

BASE PROGRAM:

Through an Inter-Agency Agreement between DFS and the Governor's office, the Aging Services program is being supervised by the Governor's Office. The Governor's Office on Aging contracts with 11 Area Agencies on Aging to provide the following types of services to Montana's elderly: a) Access Services such as transportation, outreach and information and referral; b) In-home Services which

include homemaker, home health care, home chore and home delivered meals; and c) Community Services including congregate meals, legal services, ombudsman services and senior centers. Collectively, this system is called the Aging Services Network.

The majority of services provided by the Aging Services Network are Congregate Meals, Home delivered Meals, and Supportive Services. In many cases, the elderly being served are those who are not being served by other programs such as Medicaid, since they do not meet the eligibility criteria, or the services are not available in their community. The Network is also called upon to provide needed services when other programs cannot provide the range of service to keep elders in their homes. Since 1980, the emphasis has been to expand the array of services available to the frail elderly in their homes as an alternative to more expensive institutional care, or nursing home care.

AREA AGENCY GRANTS

	<u>FY 91</u>	<u>FY 92</u>	<u>FY 93</u>
Administration	34,112	14,560	22,434
Social Services	1,322,496	1,322,496	1,322,496
Congregate Meals	1,670,188	1,670,188	1,670,188
Home Delivered Meals	406,600	406,600	406,600
Frail Elderly (III-D)	31,627	31,627	31,627
Training	30,000	30,000	30,000
Commodities/cash	611,045	611,045	611,045
State Match	192,796	186,939	189,565
State I & R	137,681	137,681	137,681
State In-Home Service	316,000	316,000	316,000
Totals	4,752,547	4,727,136	4,737,646
General Fund	646,477	640,620	643,246
Federal Funds	4,106,070	4,086,516	4,094,390
Totals	4,752,547	4,727,136	4,737,636

BASE FUNDING:

The base funding for the Aging program is a combination of general funds and federal funds. Federal funds from the Department of Health and Human Services Administration on Aging are contracted to the Area Agencies on Aging and, are matched, except for the state's maintenance of effort funds, by the Area Agencies on Aging at an 85%/15% ratio. Federal funds for the commodities program are received from the Department of Agriculture. State general fund is budgeted for the maintenance of effort.

MATCHING FUNDS/MAINTENANCE OF EFFORT

The Federal Older Americans Act has specific matching and maintenance of effort requirements for the State to receive Federal Funds. The following summarizes the current matching and maintenance of effort levels and what is needed for fiscal years 92 and 93:

<u>YEAR</u>	<u>STATE GENERAL FUND</u>
1988	\$651,130 Actual
1989	646,130 Actual
1990	646,477 Actual
1991	646,477 Appropriated
1992	646,361 Required Effort
1993	646,438 Required Effort

The Executive Budget Request shows a decrease in State General funds for Fiscal Years 92 and 93 due to a transfer of authority to the Administration Budget. In total funds, Match and Maintenance of Effort Requirements will be met under the Executive Budget Request.

The general fund expenditures in FY 90 of \$695,149 is more than the base amount appropriated of \$646,477. This was due to paying some prior year contract obligations to the Area Agencies from FY 90 funds instead of prior year funds. This error was not discovered in time to correct it on the state accounting system.

PERFORMANCE INDICATORS

AGING SERVICES NETWORK
CLIENTS SERVED

	FY 90 Actual	FY 91 Enacted	FY 92 Base	FY 93 Base
CONGREGATE MEALS	43,468	44,337	44,337	44,337
HOME DELIVERED MEALS	7,153	7,296	7,296	7,296
SUPPORTIVE SERVICES(*)	69,669	70,328	70,328	70,328
TOTAL CLIENTS	120,690	121,961	121,961	121,961
	<u>UNITS OF SERVICE</u>			
CONGREGATE MEALS	1,354,778	1,354,778	1,354,778	1,354,778
HOME DELIVERED MEALS	577,799	577,799	577,799	577,799
SUPPORTIVE SERVICES(*)	647,968	647,968	647,968	647,968
TOTAL UNITS	2,580,545	2,580,545	2,580,545	2,580,545

(*) Supportive Services include:
Access Services - Information & Referral, Transportation, Outreach
In-Home Services - homemaker, home health care, home chore, etc.
Community Services - legal services, ombudsman services, senior centers, etc.

INCREASE OR DECREASE FROM BASE

A total of \$25,411 for FY 92 and \$14,911 for FY 93 was transferred from the administration funding budgeted under benefits and claims to the Aging Bureau administration for a contract with the Montana Area Health Education Center. These are Title III-A funds for state administration.

FOSTER CARE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Deer Recommended	----- Base	Fiscal 1993 Incr/Deer Recommended	
Full Time Equivalent Employees	.00	.00	.00	1.00	.00	1.00	1.00
Personal Services	0.00	0	0	35,455	0	35,373	35,373
Operating Expenses	0.00	0	0	2,368	0	3,418	3,418
Equipment	0.00	0	0	1,050	0	0	0
Benefits and Claims	9,877,456.13	11,285,802	11,285,802	5,329,602	11,285,802	5,605,430	16,891,232
Total Agency Costs	\$9,877,456.13	\$11,285,802	\$11,285,802	\$5,368,475	\$11,285,802	\$5,644,221	\$16,930,023
General Fund	6,653,485.62	7,697,077	7,697,077	4,163,973	11,861,050	4,274,698	11,971,775
State Special Revenue Fund	1,008,912.57	1,139,650	1,139,650	0	1,139,650	0	1,139,650
Federal Special Revenue Fund	2,215,057.94	2,449,075	2,449,075	1,204,502	3,653,577	1,369,523	3,818,598
Total Funding Costs	\$9,877,456.13	\$11,285,802	\$11,285,802	\$5,368,475	\$11,285,802	\$5,644,221	\$16,930,023

OVERVIEW:

Foster (or substitute) care is the full time care of a youth in a residential setting for the purpose of providing food, shelter, security and safety, guidance and direction and, if necessary, treatment to youth who are removed from or are without the care and supervision of their parents or guardians. Placement outside of the home is considered when a child's life or health is seriously threatened in the home, or when an out-of-home placement is part of a specific treatment plan.

GOALS:

- To protect and care for children who are removed from or without the care and supervision of their parents or guardians.
- To reunite the child with his or her family as soon as possible or, if this is not possible, to make another permanent plan for the child as soon as possible.
- To meet the child's needs in the most appropriate, least restrictive setting possible.
- To involve natural parents in all aspects of planning for their child's out-of-home care.

- To involve the child, consistent with their age and maturity, in the placement process.

AUTHORIZATION:

41-3-1101 - 1142 MCA

Youth Residential Services establishes a system of substitute care to provide facilities and services to youth placed out of their homes, and establishes a program to provide such facilities and services through local nonprofit corporations, counties and the Department of Family Services.

BASE PROGRAM:

Because of the magnitude of the decision to remove a child from the home, social workers make this decision in conjunction with their supervisor and other professionals involved with the child. When the decision to place has been made, the department must obtain a court order to remove the child from the home and to place in substitute care.

Types of care include: family foster care, therapeutic foster care, group home care, shelter care (30 days or less), residential care (which includes facilities such as Intermountain Children's Home and Yellowstone Treatment Center).

Once a placement has been made, the placing worker then:

- maintains frequent contact with the child;
- arranges visits as soon as possible between child in care and parent (where appropriate);
- designs, monitors and evaluates a treatment plan (a written agreement that outlines the action that must be taken to resolve the conduct or condition of the parent that resulted in the child's removal);
- informs foster parents of the child's case plan;
- coordinates and assures the provision of services for the child (medical, psychological, dental and social);
- completes the necessary legal and payment documents;
- prepares the Report to the Court, attends court hearings and testifies as appropriate.

Placements are reviewed every six months by the foster care review committee.

BASE FUNDING:

Funding for foster care is a mixture of federal funds, state special revenue funds (county contribution) and general funds which is determined by the eligibility of the client and the county of residence of the client. The federal funds are received from three sources: 1) the Title IV-E program of the Social Security Act participates in costs for AFDC eligible clients up to the medicaid rate; 2) the Title IV-B program of the Social Security Act provides \$271,396 per year and 3) the Refugee program provides 100 percent funding for refugee clients. Depending on the eligibility of the child and the status of the county (assumed or non-assumed), counties participate in the non-federal share of foster care at 50 percent. This county contribution is capped at the 1987 expenditure level for non-assumed counties or a maximum of \$1,139,650 statewide. The balance of the costs are from general funds. The Title IV-E program participates in maintenance costs only, so treatment costs for AFDC clients are 100 percent non-federal funds.

PERFORMANCE INDICATORS FY 1992/1993 FOSTER CARE BASE BUDGET ALLOCATION BY SERVICES

	1990 Actual	1991 Enacted	1992	1993
	Days of Care	Days of Care	Days of Care	Days of Care
Foster Family Care	Days ADP 331,248 907.5	326,057 893.3	354,684 971.7	354,684 971.7
Basic Group Care	Days ADP 36,513 100.0	38,785 106.3	38,745 106.2	38,745 106.2
Group Care with Step 1 Treatment	Days ADP 9,742 26.7	9,554 26.2	9,354 25.6	9,354 25.6
Group Care with Step 2 Treatment	Days ADP 9,216 25.2	9,250 25.3	8,978 24.6	8,978 24.6
Therapeutic Foster Care	Days ADP 17,316 47.4	17,467 47.9	28,787 78.9	28,787 78.9
In-State Residential Care	Days ADP 20,372 55.8	21,319 58.4	17,905 49.1	17,905 49.1
Out-of-State Group Care	Days ADP 3,593 9.8	3,967 10.9	5,641 15.5	5,641 15.5
Out-of-State Residential Care	Days ADP 13,080 35.8	12,950 35.5	11,326 31.0	11,326 31.0
Title XIX Match - D.D. Days ADP	2,922 8.0	3,285 9.0	3,285 9.0	3,285 9.0
Inpatient Psychiatric Care	Days		24,061	25,446
Total	Days ADP 444,002 1,216.4	442,634 1,212.7	506,051 1,311.5	504,151 1,311.5

In-State Residential Care 1		FY 92 Incr.	FY 92 Reco.	FY 93 Incr.	FY 93 Reco.
Days ADP		8,212 22.5	26,117 71.6	16,425 45	34,330 94.1
Family Based Services Average Families in Service		50	50	50	50
Family Foster Care		12,800 35	367,484 1006.7	12,800 35	367,484 1006.7
Basic Group Care		1,700 4.6	40,445 110.8	1,200 4.6	40,445 110.8
Therapeutic Foster Care 1		15,512 42.5	44,298 121.4	31,025 85	59,812 163.9
Specialized Group 1		2,737 7.5	2,737 7.5	5,475 15	5,475 15

1 Projection of days of care to be provided assumes that most of these services will be eligible for medicaid matching.

INCREASE AND DECREASES FROM BASE

There were three increases in the Department's budget for out-of-home care services. These are:

1. MDC Phase IV Child Placements: The Department of Family Services, in an interagency effort with Social and Rehabilitation Services, intends to make provision for community services for five (5) children with developmental disabilities who are in need of intensive level services and are difficult to place. An additional five (5) children will be placed in the second year of the biennium. Otherwise, these children have had no alternative except for placement in the Montana Developmental Center or in services out-of-state.

The restructuring of the Service System, as outlined in the Governor's Action Plan, should result in the development of community-based services for difficult-to-place children so they are not placed at MDC or out-of-state because there are no other placement options. MDC's revised role in Montana's Developmental Disabilities Service System will not be well suited to accommodate children. The costs are based on the following:

- a. DFS and SRS estimate that 5 children will be served in the first year of the biennium, and 5 additional children will be served in the second year of the biennium;
- b. the average costs per child are estimated at \$30,000;

- c. funding sources for Children's Services would be divided between the state general fund (28.29% FY 92/28.10% FY 93) and the federal Title XIX program (71.71% FY 92/71.90% FY 93) at a biennium cost of \$451,000.

	<u>FY 92</u>	<u>FY 93</u>
Benefits and Claims	150,000	300,000
General Fund	42,435	84,300
Federal Fund	107,565	215,700

2. Placement of IV-E Eligible Native Americans:

Authority is requested to place IV-E eligible children domiciled on Indian Reservations within Montana. Public Law 95-608, Indian Child Welfare Act of 1978, federally mandates placement of Indian children within the state. Failure to place IV-E eligible children domiciled on a reservation could jeopardize the State's entire IV-E federal reimbursement. This funding would place approximately 250 children per year in family foster care. A supplemental request of \$51,040 general fund and \$129,505 federal fund for FY 91 has been requested also to serve these populations.

	<u>FY 92</u>	<u>FY 93</u>
Benefits and Claims	992,800	992,800
General Fund	280,665	280,665
Federal Fund	712,135	712,135

3. Pursuant to a memorandum of understanding between the Department of Social and Rehabilitative Services and the Department of Family Services, DFS will receive the general fund matching portion for the federal Medicaid funding for inpatient psychiatric hospitalization and residential treatment services. The general fund match for inpatient psychiatric services for youth under 21 years of age has been added to the DFS base budget for out-of-home care services. This amounts to \$2,454,310 for FY92 and \$2,586,360 for FY93. Additionally, an amount of \$1,771,365 for FY92 and \$1,765,061 for FY93 has been added for the general fund match for residential treatment services.

The intent of the funding transfer is to enable DFS to begin the process of developing an appropriate continuum of care for the youth of Montana. The Department will utilize the funds to initiate development of community-based treatment and care alternatives for children and

youth who can be appropriately served in a less restrictive environment. To accomplish this, DFS will allocate a portion of these funds for the development of new services; co-ordinate with the medicaid program to ensure that all eligible costs are appropriately claimed to medicaid; and review with SRS the eligibility standards to make them coincide with the services available.

In developing a plan to create alternatives, the department will not only consider the findings of the study mandated by HB 100 but also consider input from regional Youth Advisory Councils, affected state agencies, and private care providers. The department anticipates that the provision of a true "continuum of care" will result in a reduction in the numbers of placements into high cost care and a corresponding reduction in the cost of care.

This will be accomplished in the 1992-93 biennium through the following plan of action: a) DFS will reserve for the biennium approximately \$1.3 million of the funds transferred from medicaid residential treatment services to meet current treatment obligations. The remainder will be allocated in the development of a "continuum of care" designed to reduce the numbers of children inappropriately placed in inpatient psychiatric care and to dramatically increase in-state treatment options.

- * Approximately \$500,000 will be allocated to development of pilot projects in each region for family-based services and in-home support to reduce the numbers of out-of-home placements.
- * Approximately \$200,000 will be allocated to expand family foster care and group home care.
- * Approximately \$800,000 will be allocated to develop and expand therapeutic foster and therapeutic group homes.
- * Approximately \$200,000 will be allocated to develop specialized group care alternatives for children with special medical needs.
- * Approximately \$500,000 will be allocated for development of residential treatment programs statewide.

b) DFS will work with SRS and the state's utilization review contractor to carefully define eligibility criteria for placement in inpatient psychiatric hospitalization. This will ensure that only those children who cannot be appropriately served in a less restrictive environment will be placed in psychiatric care; c) DFS will develop resources to assist in screening children referred for placement in order to more accurately assess their care needs. This will ensure placement in the least restrictive environment; and DFS will develop a system to fairly and accurately assess the cost of care within each level of care.

	FY 92	FY 93
Base Budget Adjustment		
Benefits and Claims	2,454,310	2,586,360
General Fund	2,454,310	2,586,360
Base Budget Increase		
Benefits and Claims	1,771,365	1,765,061
General Fund	1,771,365	1,775,061

CHILDREN'S TRUST FUND

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended	Base
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00	.00
Operating Expenses	5,119.50	9,761	9,903	0	9,903	0	9,908
Grants	61,126.72	61,420	61,420	0	61,420	0	61,420
Total Agency Costs	\$66,246.22	\$71,181	\$71,323	\$0	\$71,323	\$0	\$71,328
State Special Revenue Fund	66,246.22	71,181	71,323	0	71,323	0	71,328
Total Funding Costs	\$66,246.22	\$71,181	\$71,323	\$0	\$71,323	\$0	\$71,328

OVERVIEW:

Montana Children's Trust fund is administered by a seven-member, governor-appointed board which is administratively attached to DFS. The board's sole function is to raise and disburse funds to help prevent child abuse and neglect.

GOALS:

- To reduce the incidence of child abuse and neglect through the development of child abuse and neglect prevention programs of various types in communities across Montana.

AUTHORIZATION:

41-3-701 et.seq, MCA

Establishes in law the existence of the trust fund and sets forth its powers and duties.

P.L. 98-473

Provides for the distribution of certain funds to states that have established trust funds and raised money for said trusts to prevent child abuse and neglect.

BASE PROGRAM:

Montana Children's Trust Fund has, in the past, funded many community-based grant programs of a primary prevention nature (such as parent education programs for parents identified as abusive or neglectful, or a self-help

ParentsAnonymous program. Proposals are solicited yearly, screened by the trust fund board and then awarded to local and/or statewide groups based on specific review criteria established by the board.

BASE FUNDING:

Challenge Grant \$6,000 - \$10,000 depending upon how much money is generated within Montana by the Children's Trust Fund. The federal challenge grant will match \$.25 on the dollar up to a maximum amount.

Trust Fund Board \$35,000 - \$45,000 The trust fund receives money from income tax checkoff and from each divorce filing fee.

PERFORMANCE INDICATORS:

The recommended level of funding provides for award of approximately 20 contracts for child abuse and neglect prevention in various Montana communities.

AFTERCARE

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr Recommended	----- Base	Fiscal 1993 Incr/Decr Recommended	----- Base
Full Time Equivalent Employees	13.00	12.00	12.00	.00	12.00	.00	12.00
Personal Services	307,798.05	301,747	301,606	673	302,279	671	302,160
Operating Expenses	81,480.96	111,702	103,868	413	104,281	175	105,550
Equipment	1,295.00	0	0	0	0	0	0
Total Agency Costs	<u>\$390,574.01</u>	<u>\$413,449</u>	<u>\$405,474</u>	<u>\$1,086</u>	<u>\$406,560</u>	<u>\$846</u>	<u>\$407,710</u>
General Fund	390,574.01	410,649	402,674	-1,414	401,260	-1,654	402,410
State Special Revenue Fund	0.00	2,800	2,800	0	2,800	0	2,800
Federal Special Revenue Fund	0.00	0	0	2,500	2,500	2,500	2,500
Total Funding Costs	<u>\$390,574.01</u>	<u>\$413,449</u>	<u>\$405,474</u>	<u>\$1,086</u>	<u>\$406,560</u>	<u>\$846</u>	<u>\$407,710</u>

OVERVIEW:

The Department of Family Services is designated by the statute as the agency responsible to provide supervision, care and control of youth released from a state youth correctional facility. This services is commonly referred to as "aftercare services."

Juvenile aftercare is the release of a juvenile from an institution to serve a prescribed period of time in the community under certain conditions and under the supervision of a designated field agent. As with probation, aftercare includes helping the juvenile to meet the conditions of release, and determining the degree to which these conditions are met.

The department provides two aftercare independent living programs, one in Billings and the other in Missoula. These programs act as a "bridge" to help youth adjust successfully from life in a correctional facility to independence in the community.

GOALS:

~ To supervise youth who have been adjudicated by the youth court and who have been placed in a juvenile corrections facility, to meet the conditions of their release.

~ To assist institutionalized youth to make a smooth re-entry into the community and society, and avoid recidivating.

~ To provide supervision to youth who are returning to the community from juvenile corrections facilities, in order to provide a measure of protection to the community, by preventing further delinquent behavior.

~ The goal of the transitional living programs is to provide a service for youth who need and are able to benefit from a post-institutional placement.

AUTHORIZATION:

41-3-1104 MCA

Aftercare facilities authorizes the department to establish, maintain and administer aftercare programs and facilities for the care, custody and treatment of youth who have been committed to the department.

41-3-101 MCA

The Montana Youth Court Act states that youth committing violations of the law shall be provided "a program of supervision, care, and rehabilitation..." 53-30-226 through 53-30-229 MCA

Youth Aftercare section states that youth released by DFS from a youth correctional facility and remaining with the supervision, custody and control of the department shall sign an aftercare agreement specifying the terms and conditions of his/her release.

BASE PROGRAM:

Juvenile Aftercare Counselors are employed by the Department of Family Services to supervise youth returning to the community from youth correctional facilities. The counselors are responsible for providing a number of services to youth in their charge.

1. Social work case management.
2. Keeping accurate up-to-date case records and files.
3. Participating in pre-release planning with institution staff.
4. Making arrangements for authorized leave from an institution.
5. Administering the prescribed "level of supervision."
6. Counseling youth on personal, school or community related problems.

In the two transitional living programs, youth are:

1. trained in independent living skills and
2. helped to find employment and save money to enhance future independence.

BASE FUNDING:

The Aftercare Program is funded with general funds and \$2,800 of interest income from a trust fund.

PERFORMANCE INDICATORS:

1. Number of youth provided services by Aftercare counselors:

FY 90 ACTUAL	FY 91 ENACTED	FY 92 BASE	FY 93 BASE
Average Cases per month 216	216	216	216

2. Number of youth receiving transition living services:

FY 90 ACTUAL	FY 91 ENACTED	FY 92 BASE	FY 93 BASE
Average Daily Population 6.5	6.5	9.0	9.0

INCREASE AND DECREASE FROM BASE:

There was an addition of Federal revenue of \$2,500 for the Transition Center project due to receiving reimbursement from the School Foods Program. The general fund was reduced by a like amount. The base amount for operating costs for the group programs were adjusted down to reflect FY 90 actuals in most items and then increased in food items to compensate for an increased average daily population of 6.5 in FY 90 to 9.0 in FY 92/FY 93. This adjustment resulted in a net decrease of about \$8,000 for FY 92 and \$6,000 in FY 93 in operating expenses for the group programs from the FY91 appropriated level.

YOUTH EVALUATION

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	----- Base	Fiscal 1992 Incr/Decr Recommended	----- Base	Fiscal 1993 Incr/Decr Recommended	----- Base
Full Time Equivalent Employees	5.00	5.00	5.00	.00	5.00	.00	5.00
Personal Services	110,320.92	109,128	109,303	246	109,549	244	109,415
Operating Expenses	23,886.25	23,808	23,529	40	23,569	17	23,902
Total Agency Costs	<u>\$134,207.17</u>	<u>\$132,936</u>	<u>\$132,832</u>	<u>\$286</u>	<u>\$133,118</u>	<u>\$261</u>	<u>\$133,317</u>
General Fund	134,207.17	132,936	132,832	286	133,118	261	133,317
Total Funding Costs	<u>\$134,207.17</u>	<u>\$132,936</u>	<u>\$132,832</u>	<u>\$286</u>	<u>\$133,118</u>	<u>\$261</u>	<u>\$133,317</u>

OVERVIEW:

Located in Great Falls, the Youth Evaluation Program (YEP) provides a non-secure residential setting in which youth can be evaluated, stabilized and monitored while awaiting transfer to an appropriate placement that meets their needs. Youth who participate in this program are experiencing serious school problems, family problems; they may be just entering the juvenile justice system and can still be handled in a non-secure setting. Youth at YEP attend school and live in a community-based setting. The facility is licensed for 8 youth maximum at any given time.

GOALS:

- ~ To provide a secure setting for youth who are in need of evaluation and monitoring services.
- ~ To provide time to accurately evaluate emotionally disturbed youth and determine future needs for appropriate treatment.

AUTHORIZATION:

41-3-1101 MCA and 41-3-1103 MCA
Youth Residential Services establishes a system of substitute care for youth.

BASE FUNDING:

The Youth Evaluation Program is funded with general funds.

BASE PROGRAM:

Services provided to youth in this program include:

1. Residential living services, e.g., room and board.
2. Psychological evaluation services by trained professionals on a contract basis.
3. Educational evaluation.
4. Psychological counseling by professionals, on contract.
5. Tutoring services when appropriate.
6. Recreational services on grounds.

PERFORMANCE INDICATORS:

1. Numbers of youth to be served -- an average of 60 per year.
2. Expected length of stay -- 40-45 days.
3. The YEP staff will produce an evaluation report to the referring agency for each youth placed at the facility. The report will include a social history, case work notes covering the period of placement at YEP, a group living report, a psychological report and recommendations.

<u>WORKLOAD MEASURE</u>	<u>FY 90 ACTUAL</u>	<u>FY 91 ENACTED</u>	<u>FY 92 BASE</u>	<u>FY 93 BASE</u>
Number of youth served per year	60	60	60	60
Number of days of care per year	2,520	2,520	2,520	2,520

INCREASE TO BASE:

Minor increases for new personal services benefit rates and operating inflation are included.

INDEPENDENT LIVING

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Operating Expenses	39,351.37	0	0	0	0	0
Equipment	6,011.26	0	0	0	0	0
Benefits and Claims	142,983.40	39,245	39,245	39,245	39,245	39,245
Total Agency Costs	<u>\$188,346.03</u>	<u>\$39,245</u>	<u>\$39,245</u>	<u>\$39,245</u>	<u>\$39,245</u>	<u>\$39,245</u>
Federal Special Revenue Fund	188,346.03	39,245	39,245	39,245	39,245	39,245
Total Funding Costs	<u>\$188,346.03</u>	<u>\$39,245</u>	<u>\$39,245</u>	<u>\$39,245</u>	<u>\$39,245</u>	<u>\$39,245</u>

OVERVIEW:

This program serves youth in foster care who are age 16 or older by assisting them in attaining those attitudes, values, skills and experiences necessary for living independently and becoming self-sufficient. Independent living services are transition services for the purpose of moving a youth to a lesser degree of dependency upon DFS into a more normalized environment.

In addition, youth who have been in out-of-home placements and have been discharged from foster care are provided with follow-up by DFS social workers--including at least two contacts within six months following the date the youth left foster care, to determine how the youth is doing, whether further assistance is needed and to evaluate whether the independent living services provided were adequate.

GOALS:

The department seeks to assist older youth leaving foster care in locating, maintaining or utilizing housing, jobs, higher education, community resources, and a support network. The program's social goals are minimizing dependency, increasing coping skills and developing crisis management.

AUTHORIZATION:

LEGAL AND RELATED REFERENCES: Sections 474 (a) and 477 (c)(1) of the Social Security Act, and 45 CFR Part 92, ACYF-PI-90-16, issued October 2,

1990.

The IV-E Independent Living Program was reauthorized by the Federal Budget Reconciliation Act passed by Congress in 1989.

BASE PROGRAM:

Cash stipends (INC payments) to youth leaving foster care: stipends averaging \$777 each assist youth in obtaining housing, employment, training, higher education, transportation or other expenses related to moving out. Payments may not be used for room and board. Payments will be made to two-thirds of the eligible youth leaving foster care.

Community-based counseling services (mentor program): This program assesses youths' proficiency in independent living skills and provides guidance and support in meeting the goals of independent living. Approximately one-third of eligible youth will receive this service which is in the development stage.

Training for foster/adoptive parents in the Model Approach to Partnership in Parenting (MAPP contract) to improve skills in youth care: two or more MAPP training events will be held in each region per year. Each event requires a training team of three persons DFS licensing staff, DFS child protective services staff, foster/adoptive parent or birth parent, or some equivalent combination) and takes 30 hours to present over a 10-week period.

Supervision, travel and training for VISTA volunteers in recruiting, retaining and

supporting foster parents: Volunteers increased from six to 12 for 1990. VISTA salaries are paid by the federal ACTION Office and represent about \$70,000 augmentation of DFS service capacity.

Conference or workshops for youth and/or adults on independent living skills: Last year's Independent Living program sponsored or co-sponsored conferences on foster/adoptive parent issues, Native American culture, and AIDS.

Administration of program includes supplies, travel and training for a program manager and DFS field staff. Regional independent-living coordinators and a field support network are essential to developing and maintaining a program.

BASE FUNDING:

Funds used are from the federal IV-E Independent Living program. Youth are no longer required to be IV-E eligible as they were when the program began in 1987. The base FY 91 appropriation reflects 1 quarter of FY 90 which was available for FY 91 during the 1989 Legislative Session. DFS is currently awaiting information on continuation of the funding and amount available from Department of Health and Humans Services.

PERFORMANCE INDICATORS:

In FY90, approximately 79 youth and 162 adults received independent living services. If funding is continued at the FY90 level, the same number of clients would be assisted.

MONTANA POST ADOPTION CENTER

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr Recommended	Base	Fiscal 1993 Incr/Decr Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Grants						
Total Agency Costs	0.00 \$0.00	0 \$0	0 \$0	97,518 \$97,518	0 \$0	24,378 \$24,378
Federal Special Revenue Fund						
Total Funding Costs	0.00 \$0.00	0 \$0	0 \$0	97,518 \$97,518	0 \$0	24,378 \$24,378

OVERVIEW:

Department of Family Services applied for a competitive federal grant for post-legal adoption services under the Adoption Opportunities Act, Office of Human Development Services', Department of Health and Human Services. The proposal for the grant was accepted and funded. The Department is contracting with the Montana Post Adoption Center to provide those services outlined in the proposal. During FY90 and FY91 these funds were added by the Budget Amendment process and are therefore not reflected in the table above.

GOALS:

The primary goal of the project is to preserve families created through adoption. A collaborative effort of public and private agencies will be utilized.

AUTHORIZATION:

P.L. 95-266, Title II, Priority Area 3.2 Adoption Opportunities Program The Adoption Opportunities Program under the Office of Human Development Services' Fiscal Year 1990 Coordinated Discretionary Funds Program for purpose of improving the adoption of special needs children.

BASE PROGRAM:

The four major objectives are 1) To establish project service areas in thirteen communities across Montana; 2) To develop and utilize a community based

network of experienced adoptive families; 3) To provide training in each service area on issues that contribute to adoption disruption; 4) To provide telecommunication broadcasts on specialized adoption topics.

BASE FUNDING:

The funding in the DFS request for the Montana Post Adoption Center is 100% federal funds from the Department of Health and Human Services. The required 25% non-federal match is provided by DFS dedicating a portion of current level salaries to the project with the balance of the match provided by the project from fees and donations.

PERFORMANCE INDICATORS:

The Project will produce a model for intensive post-legal adoption services in rural areas; will provide knowledge to develop services in any area; and will institutionalize ongoing post-legal adoption services at locations accessible to all Montana families. A projected four hundred families will be served during the two year grant period.

	FY 90	FY 91	FY 92	FY 93
Training of Professionals	80	0	0	0
Training of Triad Members	88	0	0	0
Adoption Family Contacts	45	175	200	200

CHILDREN'S JUSTICE ACT

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended
Full Time Equivalent Employees	.00	.00	.00	.00	.00	.00
Grants						
Total Agency Costs	0.00 \$0.00	0 \$0	0 \$0	37,466 \$37,466	0 \$0	37,466 \$37,466
Federal Special Revenue Fund						
Total Funding Costs	0.00 \$0.00	0 \$0	0 \$0	37,466 \$37,466	0 \$0	37,466 \$37,466

OVERVIEW:

DFS applies for a non-competitive federal grant intended to improve status handling of child sexual abuse cases. This includes improving victim/witness handling in court, improving prosecution and assuring perpetrator's rights are not abridged.

GOALS:

- To improve investigation, prosecution and handling of child sexual abuse cases in a manner which will limit further trauma to victims while assuring perpetrators have adequate protection under the law.

AUTHORIZATION:

5101 et seq.; P.L. 100-294
The Victims of Crime Act of 1984, as amended, ACYF-PI-88-04, allows distribution of funds to states for purposes of improving child sexual abuse prosecution and related issues.

BASE PROGRAM:

Training of various professionals in the area of sex offenders to include the Juvenile and Developmentally Disabled perpetrator. Statewide conference to include professional training on: interviewing, assessment evaluation and treatment, prosecution and decision making regarding community-based versus closed setting of the two type of perpetrators. It is designed to improve the understanding of these two groups and increase the system's ability and willingness to respond.

BASE FUNDING:

The funding for the Children's Justice Act is 100% federal funds from the Department of Health and Human Services. For FY 90, these costs were budgeted with the Child Abuse and Neglect program. For FY 91 the program was continued with a budget amendment. This request continues the base program for the 92/93 biennium.

PERFORMANCE INDICATORS:

A 3-day conference with at least 250 participants to include: law enforcement, CPS social workers, mental health professionals, county prosecutors, judges, DD professionals, juvenile and adult parole and probation officers, and residential treatment providers.

1990: 3 day conference for 300 professionals dealing with specialized issues of child sexual abuse offenders.

1991: 3 2-day training sessions for social workers on child sexual abuse interview; 1 1-day conference for 30 doctors on the clinical exam of young child sexual abuse victims; 1 2-day conference for 100 attorneys on child sexual abuse prosecution issues; 1 2-day training session for law enforcement officers on child sexual abuse interviewing

1992 and 1993: Similar training different topics

MOUNTAIN VIEW SCHOOL

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended
Full Time Equivalent Employees	65.77	65.77	65.77	1.36	65.77	1.36
Personal Services	1,564,209.78	1,745,212	1,766,313	37,620	1,803,933	37,570
Operating Expenses	310,740.38	309,072	346,588	-3,560	343,028	-3,734
Equipment	5,222.39	13,736	6,868	-2,432	4,436	4,511
Total Agency Costs	\$1,880,172.55	\$2,068,020	\$2,119,769	\$31,628	\$2,151,397	\$38,347
General Fund	1,787,632.81	1,971,252	2,013,680	27,640	2,041,320	34,359
State Special Revenue Fund	2,076.09	3,213	3,213	0	3,213	0
Federal Special Revenue Fund	90,463.65	93,555	102,876	3,988	106,864	3,988
Total Funding Costs	\$1,880,172.55	\$2,068,020	\$2,119,769	\$31,628	\$2,151,397	\$38,347
					\$2,128,424	\$2,166,771

OVERVIEW:

Mountain View School has the responsibility to properly diagnose, evaluate, and treat delinquent youth between the ages of 10-19 years, who have been committed to the Department of Family Services and sent to Mountain View School. The program emphasis is on treatment and rehabilitation that will enable the youth to remain clear of the adult criminal justice system.

GOALS:

- It is the goal of Mountain View School to:
 - Provide a safe living environment for the students while they are at Mountain View School.
 - Provide a good, basic education for all students at Mountain View School, to include an individualized education program.
 - Establish individual clinical treatment plans for all students committed to Mountain View School, to include their placement back in the community.
 - Provide each student with a medical/dental program that will promote a healthy lifestyle, while addressing their immediate health needs.

- Maintain the institution facility in a condition of good repair and request update facilities and equipment, as needed.

- Maintain support programs, i.e. business office, secretarial, recreation, food service, maintenance, and security, to efficiently run the institution.

AUTHORIZATION:

41-3-1104 MCA

Aftercare Facilities allows the Department of Family Services to establish, maintain and administer youth correctional facilities.

52-1-105 MCA

Institutions in Department identifies the institutions that are a part of the Department of Family Services.

53-30-202 MCA

Establishment of Youth Correctional Facilities allows Department of Family Services to establish, maintain and operate youth correctional facilities.

53-30-203 MCA

Control and Management of Youth Correctional Facilities provides for establishment of standards of care, etc., and provides special programs within each facility which are adaptable to the particular needs of it's operation.

53-30-204 MCA

Co-operative Agreements for Services with Governing Body of Indian Tribe allows the Department to contract with Indian tribes within the state of Montana to serve their youth.

53-30-207 MCA

Curricula at Facilities requires Mountain View School to provide its students with the academic and vocational training, as is taught in the public schools and conform to standards set by the Board of Public Education.

BASE PROGRAM:

Institutional Operations

A. Administration - Provides the support and direction for the institution. This support includes policy-making, fiscal control, budget development, payroll functions, secretarial support, staff supervision, current budget status, residents' accounts and institution inventory system.

B. Clinical - This is the therapeutic backbone of the treatment program. This area provides individual and group counseling, co-ordinates the individual treatment and evaluation plan, conducts family therapy and works on specialized issues each student may have. This department also does placement and discharge planning for the students.

C. Maintenance - With the age of the facility and the major buildings used (70 years) maintenance is extremely important for this program. This area completes most emergency maintenance, in addition to preventative maintenance. This includes the program's buildings, grounds, machinery and vehicles.

D. Food Service - Provides complete meal preparation for residents' meals and provides job-related experiences for a selected number of youth.

E. Educational - State Funds and Federal Education Funds -Provide a basic education for all students at Mountain View School; evaluate, test and develop individual educational plans for all regularly committed students. Students suspected of educational handicapping conditions shall be referred for diagnosis and assessment. Provide special services to designated handicapped students. Provide and support the opportunity for students to participate in inter-scholastic athletics, co-ordinate with public schools for placement of students.

F. Direct Care - Cottage Life - This area includes the living programs for the students. Direct student-staff contact in everyday living occurs in

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this area: parental direction, to include living area responsibilities, personal hygiene, manners, etiquette, interpersonal relations, homework assistance and cottage recreation, to name some.

G. Security - Provides institutional security and responds to emergencies. Institutional security includes security of keeping students at Mountain View School and keeping unauthorized outsiders out of Mountain View School.

H. Nursing - Provides on-grounds medical attention for students. Provides sick call opportunities and responds to medical emergencies. Provides routine medical attention as is done at the Registered Nurse level. Counseling students on health care needs is completed in this area.

I. Recreation - Provides campus recreation to promote a healthy lifestyle and allows students to expand their creative and athletic skills. Active participation is required by all students

BASE FUNDING:

Mountain View School is funded primarily by the General Fund. The facility is also budgeted with two revolving State Special Revenue Accounts: a) one for the operation of the canteen, which is essentially a revolving account for goods for resale together with recreation proceeds and activities; and b) financial donations which are received from community members.

Additional funding comes through Office of Public Instruction administered grants for the ESEA Chapters 1 and 2 programs, and the School Psychologist program. These programs supplement the educational services of the school by providing more individualized and remedial instruction for academically deficient youth.

The Office of Public Instruction also provides funding through the School Food Services program. Mountain View School is reimbursed based on the number of qualifying breakfasts and lunches served.

MOUNTAIN VIEW SCHOOL

PERFORMANCE INDICATORS:

FY 90 FY 91 FY 92 FY 93
ACTU. ENAC. BASE BASE

WORKLOAD MEASURE

(Thru 4/5/90)

45-Day Evaluations	73	85	85	85
Individualized Treatment Plans	32	52	54	56
Individualized Education Plans	38	52	54	56
Student/Caseworker Session	4100	5512	5616	5616
Average Length of Stay-Months	8.7	8.5	8.3	8
Stanford Task Academic Test	105	137	139	141
Strong Campbell Interest	105	137	139	141
H.S. Credit Earned Ave.	5/yr	5/yr	5/yr	5/yr
H.S./GED Diploma	4	4	5	5

INCREASE OR DECREASE FROM THE BASE

BASE YEAR ADJUSTMENTS - The base was adjusted to reflect actual FY 90 costs for food and medical expenses. This resulted in increases of \$15,100 and \$14,119 for FY 92 and FY 93 food costs and \$8,356 and \$9,847 for FY 92 and FY 93 medical expenses.

GROUP LIFE - 1 FTE - Basic minimum staff coverage requires 26 FTE in cottage life in order to provide adequate student supervision. This number provides coverage for 3 cottages.

Cottonwood Cottage - This is the secure cottage with up to 29 students in residence. These students are those with problems that require close supervision, thus during the hours the students are in the cottage three staff need to be present.

Spruce Cottage - This is the intermediate cottage with up to 27 students in residence. Double coverage is necessary whenever there are students in the cottage to include the midnight shift as the students have access to the entire building.

Aspen Cottage - This is the high level cottage with up to 15 students in residence. This cottage generally has single coverage except on weekends during the evening shift when two staff are necessary.

Mountain View School currently has 23 FTE cottage life attendants. The 1 FTE will help cover the three positions we are currently short.

EDUCATION - .36 FTE - 53.30.207 MCA requires MVS to "... conform to standards set by the Board of Public Education." The new accreditation standards Rule 10.55.904 requires MVS to offer a second language effective July 1, 1992. In order to meet this guideline this position will have to be approved this legislative session so funds would be available by July 1, 1992.

	FY 92	FY 93
FTE	1.36	1.36
Personal Services	33,851	33,823
Operating Costs	528	528
Equipment	1,200	0
	<u>35,579</u>	<u>34,351</u>
General Fund	35,579	34,351

PINE HILLS SCHOOL

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Deer Recommended	Base	Fiscal 1993 Incr/Deer Recommended	
Full Time Equivalent Employees	117.77	118.77	117.77	3.00	117.77	3.00	120.77
Personal Services	2,904,239.08	3,175,752	3,135,320	68,186	3,203,506	3,138,285	3,206,389
Operating Expenses	703,405.96	659,269	724,355	-38,531	685,824	736,948	697,707
Equipment	15,741.20	10,215	10,215	0	10,215	10,215	10,215
Total Agency Costs	<u>\$3,623,386.24</u>	<u>\$3,845,236</u>	<u>\$3,869,890</u>	<u>\$29,655</u>	<u>\$3,899,545</u>	<u>\$3,885,448</u>	<u>\$3,914,311</u>
General Fund	3,033,429.76	3,229,305	3,259,563	937	3,260,500	3,275,298	3,269,188
State Special Revenue Fund	313,858.51	325,549	320,639	5,483	326,122	320,639	332,378
Federal Special Revenue Fund	276,097.97	290,382	289,688	23,235	312,923	289,511	312,745
Total Funding Costs	<u>\$3,623,386.24</u>	<u>\$3,845,236</u>	<u>\$3,869,890</u>	<u>\$29,655</u>	<u>\$3,899,545</u>	<u>\$3,885,448</u>	<u>\$3,914,311</u>

OVERVIEW:

Pine Hills School is responsible for the care, evaluation, treatment and custody of juvenile boys between the ages of 10 and 19 who have been referred by court order by Montana's District Youth Courts. The facility is rated as a 100-bed facility, with a maximum capacity of 120 residents. The current average daily population is 131 residents. Statutory authority for the program is provided for in Title 52-1-105 M.C.A.

The institution responds to the indicated needs of low, medium, and high risk delinquent youth who have committed an offense that would be considered a felony, if committed by an adult. Pine Hills School is an integral part of the total Juvenile Justice continuum of service delivery.

GOALS:

- ~ To respond appropriately to the identified treatment needs of regularly committed referrals.
- ~ To provide to Montana's Youth Courts quality evaluations reflecting meaningful and valid clinical findings with suggested interventions.
- ~ To accurately assess academic and vocational needs of youth and provide educational programming consistent with both the needs of the youth and the direction mandated by the Office of the Superintendent of Public Instruction.

~ To provide a helpful, stable and stimulating environment conducive to and in conjunction with the rehabilitation process.

~ To provide administrative, logistical and financial support necessary to meet the above goals.

AUTHORIZATION:

52-1-105 MCA

Directing the Department of Family Services to provide residential, custodial care for appropriately referred juveniles.

53-30-203 MCA

Requiring the facility to develop special programs adaptable to the particular needs of its population.

53-30-204 MCA

Cooperative agreements for services with the governing body of Indian tribes.

53-30-207 MCA

Guaranteeing Academic and Vocational curricula in facilities such as those taught in the public schools of the State.

BASE PROGRAM:

The Pine Hills School program activity provides counseling, medical, group living and educational services to youths through a clinically proven process designed to best respond to resident needs. Initial classification of residents determines the treatment modality. The care and custody component provides day-to-day group living and custodial needs complementing the designed individual treatment plans. Administration services are supportive in nature, responding to fiscal and plant maintenance needs.

The objectives of the Pine Hills School program are to appropriately respond to the total needs of an average daily population of 130 residents, recognizing that Montana's Youth Courts will refer approximately 350 youth throughout the course of one year. These estimated population projections assume that special program efforts will allow resident movement to be expedited and that there will be efforts to develop community-based opportunities. A 1% reduction in the average daily population and a reduced referral rate is projected, leaving the anticipated daily population at 30% above the rated capacity. Further, it is anticipated that the average length of stay will decrease by one month.

BASE FUNDING:

The Pine Hills School program is funded through a combination of General Fund, State Special Funds and Federal Funds. State Special Revenue Funds include Alcoholism Treatment and Rehabilitation, Canteen, and Donations and Interest and Income. Federal Funds are from two areas. The U.S. Department of Justice pays a contract rate for Pine Hills to house Federal juvenile commitments. Other Federal Funds are grants through the State Office of Public Instruction for participation in the School Foods Program and in ESEA Title I Program.

PERFORMANCE INDICATORS:

	FY 90 ACTU.	FY 91 ENAC.	FY 92 BASE	FY 93 BASE
EVALUATIONS	138	135	68	50
REGULAR COMMITMENTS				
	135	135	190	200
RETURN VIOLATORS	39	45	40	40
AVERAGE DAILY POP	133	131	130	130
RESIDENT COST/DAY	\$72.36	\$72.00	\$70.18	\$70.18
FULL TIME STUDENTS	211	211	210	210

INCREASE OR DECREASE FROM BASE

BASE YEAR ADJUSTMENTS - Base year adjustments were made in the following areas: a) utilities were reduced by \$30,000 to reflect 90 actual; b) food costs were increased \$15,865 in FY 92 and \$22,985 in FY 93 to reflect 90 actual; c) medical costs were increased \$10,647 per year to reflect 90 actual; d) insurance and bonds were decreased \$14,504 which was transferred to Management Support; and e) federal border revenues were increased by \$20,000 to reflect current collections. The general fund was decreased by a like amount.

The program has reduced its FTE by 1.0 positions in the clinical staff area. The Drug and Alcohol Abuse Counselor position has been dropped in lieu of a contract for Chemical Dependency Services through CDS, Inc. in Miles City.

BASE YEAR INCREASE:

Pine Hills School is requesting an increase in its FTE by 3.0 positions. These positions will all be classified as Cottage Life Attendant II. Two of these FTE are necessary to provide adequate coverage in Sundance Lodge. This lodge houses 24 medium to high risk students. Adequate coverage requires three persons from 3 to 11 pm daily and from 7 am to 11 pm on weekends. The third Cottage Life Attendant II will be assigned to the Security Section. Security has been lacking or nonexistent during the 7 am to 3 pm time period. Historically, most escapes occur during these times due to the amount of student movement

to and from school, between classes, and to and from the infirmary. This position would provide the necessary coverage for 24 hours a day.

	<u>FY 92</u>	<u>FY 93</u>
FTE	3.00	3.00
Personal Services	61,401	61,350
Operating Costs	<u>1,584</u>	<u>1,584</u>
	62,985	62,934
General Fund	62,985	62,934

Another addition to the program at Pine Hills will be the Industries Program. This program will provide work experience for those youth who have completed vocational courses in woods and metals. Products would be constructed on a job order basis for other state agencies, federal agencies, and nonprofit organizations. The wages earned by the boys in the program will help to pay for restitution owed for their offense. A revolving cash account will be used for the necessary supplies and the restitution payments with a budget of \$6,000.

	<u>FY 92</u>	<u>FY 93</u>
Operating Costs	6,000	6,000
State Special	6,000	6,000

